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ZURICH, MONDAY, FEBRUARY 25, 1985

#### Shultz, Seeing 'Tyranny,' Asks Aid to Guerrillas in Nicaragua By Bernard Gwertzman New York Times Service he said, it could be brought about "through the collapse of the Sandi-After Mr. Reagan's Feb. 16 radio address, Mr. Shultz told the House

WASHINGTON -- Secretary of State George P. Shultz has said that if additional U.S. aid is denied to the rebels in Nicaragua, that country will fall into "the endless darkness of Communist tyranny" and that direct and costly U.S. action might be required later.

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Mr. Shultz said Friday that Americans had "a moral duty" to help "the freedom fighters" who are engaged in combat with the government of Nicaragna. His suggestion that failure to do so might eventually force the United States into action there was the first such public statement by a senior Reagan administration official.

But President Ronald Reagan, in a meeting Friday with some editorial writers, said he did not envisage a U.S. invasion of Nicaragua as a possibility, given the opposition to such a move by Latin American nations friendly to the United

State Department officials said that Mr. Shultz's remarks were part of a stepped-up campaign by the Reagan administration to win congressional support for the Nicara-

Elaborating on Mr. Reagan's comment at a press conference a vote was taken in the House of Thursday that he wanted "to remove" the "present structure" of
the Nicaraguan government, Mr.
Shultz said it was "immaterial" to
ministration intended to avoid a him bow this was done.

By John Vinocur New York Times Service

PARIS — A bomb exploded at an entrance to the Paris branch of

the British-owned department store Marks & Spencer as it opened...

for business on Saturday, killing one man and wounding 14 people,

The police said they had no clear indication of who was responsible

for the blast, although they had received a number of telephone

The callers claimed to speak for

the Caribbean Revolutionary Alli-

ance, an outlawed group seeking independence for France's Carib-

bean territories; for Direct Action, a leftist extremist group that has announced its fusion with the Red

Army Faction terrorists of West Germany; and for groups calling

themselves the Fatah Revolution-

ary Command, and the Interna-tional Collective Army Against

But police said that all the calls

came hours after the blast was re-

ported by French news organiza-

tions, and that none of the claims

contained any technical details in-

dicating firsthand knowledge

Employees at the store on Boule-

vard Hanssmann, across the street from the department stores Galer-ies Lafayette and An Printemps, said no threats had been received.

Police said a French employee of

the store, identified as Léonard Ro-

chas, died of his wounds hours af-

burned. The others wounded, in-

cluding two Britons, were hit by flying glass and debris, hospital of-ficials said.

The store, which opened in 1975, had been the target of attacks twice

before. Bombs exploded on Feb.

23, 1976, exactly nine years ago, and on May 4, 1981, causing some damage but no injuries. No one claimed responsibility for either ex-

In 1973, Joseph Edward Sieff, a

former chairman of Marks & Spen-

of Israel, was wounded in the head

in a terrorist attack at his home in

London. He died in 1982 at the age

rance of the store on the Rue des

Mathurins, near the Opera, and

hurried away. The explosion fol-

placed a duffel bag at a rear en- aisles.

cer and a leading British supporter

plosion.

ter the explosion. Two other Frenchmen were reported seriously

about the explosion.

calls concerning its origin.

police said.

Senior State Department officials said the purpose of the polemical campaign, which was started by Mr. Reagan in a radio address Feb. 16, was to build a strong, mor-al case for persuading Congress next month to approve \$14 million "covert" funds already authorized for the rebels. The guerrillas are believed to have received more than \$80 million in recent years.

The administration also wants congressional approval for any additional secret funds that might become necessary in the future for the

A secondary reason, the officials said, was to put pressure on the Nicaraguan government to end what has been described as a Soviet and Cuban presence in Nicaragua, halt the support for rebels in neighboring countries, and provide guarantees for free elections.

The officials said that although alternatives to the covert financing through the Central Intelligence Agency have been studied, none of the possibilities seemed to them as good as the current method of se-

They said they recognized that if vote for at least a month and to He said the Managua authorities campaign hard to convince Con-could do it on their own or through gress of the moral and practical

One Killed, 14 Injured in Bombing

Of Marks & Spencer Store in Paris

Foreign Affairs Committee on Tuesday that Nicaragua was falling behind "the Iron Curtain," and that Americans had a moral duty to help out the rebels who were trying to prevent the "door being

On Thursday, Mr. Reagan main-tained the toughly worded rhetoric in his press conference, and on Friday both Mr. Shultz and Mr. Reagan returned to the theme.

Mr. Shultz, speaking in San Francisco, said that "the bottom line" in Nicaragua was this:

Those who would cut off these freedom fighters from the rest of the democratic world are, in effect, consigning Nicaragua to the endless darkness of Communist tyranny. And they are leading the United States down a path of greater

"For if we do not take the appropriate steps now to pressure the Sandinistas to live up to their past promises — to cease their arms buildup, to stop exporting tyranny across their borders, to open Nicaragua to the competition of freedom and democracy - then we may find later, when we can no longer avoid acting, that the stakes will be higher and the costs great-

A senior State Department official said that "the Shultz argument" was that if the rebels were aided now, they could do the job. and the pressure on the Sandii

(Continued on Page 2, Col. 4)



Konstantin U. Chernenko, the Soviet leader, is shown voting in local elections. The picture was distributed by Tass, and film of Mr. Chernenko was shown on television on Sunday.

## Meese, After 13 Months, Confirmed By U.S. Senate as Attorney General

has voted to confirm Edwin Meese Meese, the 385-page report issued

came after five days of filibustering by Farm Belt senators, who allowed the vote to take place after nomination to the Senate floor, diwinning assurances that they could introduce legislation to provide emergency credit relief for farmers. Six senators did not vote.

liam French Smith as attorney gen- opposed Mr. Meese, said it was the eral on Monday, when he is to be highest vote against a nominee for sworn in by a notary public. A attorney general since 1925.

formal ceremony is expected early

In the last several months, many formal ceremony is expected early next month.

All of those voting against Mr. tice Department. Mr. Smith, antici-Meese's confirmation on Saturday pating that he would soon be leav-

were Democrats. Little debate preceded the confirmation vote, compared to the able to fill the top jobs in six units, drawn-out hearings held last year including the Civil Division and and again this year by the Senate the Land and Natural Resources Judiciary Committee. Supporters Division, which have been operat-and opponents of Mr. Messe each me with acting directors. oke for lifteer ma Senate voted.

Senator Howard M. Metzenbaum, a Democrat of Ohio who is baum, a Democrat of Ohio who is one of Mr. Meese's most persistent One Killed critics in the Senate, said, "Let us not kid ourselves. Mr. Meese's conduct has not indicated that he is a paragon of virtue. I would guess, as others, he will be confirmed this afternoon. We can only hope Mr.

Meese's future conduct will be bet-

er than his past conduct."
But Scalator Strom Thurmond, a Over Beirut ter than his past conduct." Republican of South Carolina who is chairman of the Senate Judiciary Committee, said Mr. Messe, an advocate of strong law enforcement measures, "was selected and ap-pointed by President Reagan. It is assumed he is a man of character and qualified for the position. Meese is a man of broad experience and he got a clean bill of health."

was "not bitter at all" over the confirmation struggle. "I think that politics played a very big part in what took place, but that's all behind us," he said. Saturday's action brought to an end a difficult period for Mr.

Meese, who had vowed to fight all obstacles to win the position to which Mr. Reagan nominated him on Jan. 23, 1984. Last year, while Mr. Meese's

confirmation hearings were in pro-gress, it was disclosed that he had failed to reveal a \$15,000 interestforms, touching off an investiga-tion by the Justice Department. The inquiry was promptly broadened to include other allega-tions raised in the hearings, such as whether Mr. Meese had arranged federal jobs for several people who

had done him financial favors and

whether he had accepted preferen-

tial treatment in gaining an Army

Reserve promotion. The inquiry, which was turned over to a court-appointed independent counsel as prescribed by the Ethics in Government Act, cleared Mr. Meese of any violation of fed-and keep gummen away. eral criminal law. The independent Since the airport is in counsel, Jacob A. Stein, declined to The store, which sells British with sales of about \$4.3 billion in products, including clothing and specialty foods, closed Saturday, in Britain, France, Belgium, Irebut it was to reopen on Monday. fications for office, saying it was beyond his jurisdiction.

Mr. Reagan then resubmitted Moussa Sadr, who disa the nomination of his longtime aide a trip to Libya in 1978.

By Leslie Maitland Werner and hearings resumed again last strong advocate for legislation that month. Critics contended, howev-would allow evidence that is seized WASHINGTON - The Senate er, that far from exonerating Mr. illegally to be introduced in court if 3d as attorney general, more than a in September by Mr. Stein dis-year after he was first nominated by President Ronald Reagan.

in September by Mr. Stein dis-played in detail a man lacking the ethical qualifications to be the na-the imposition of the death penalty The 63-31 vote on Saturday tion's top law enforcement officer. for certain federal crimes and legis-ume after five days of filibustering. On Feb. 5, the Senate Judiciary lation that would restrict the rights Committee voted 12-6 to send the

viding largely along party lines. The 31 negative votes were the most cast against a cabinet nominee in 14 years, and Common Mr. Meese, 53, is to replace Wil- Cause, the citizen's lobby which

> high-ranking officials left the Jusing as well, did not replace them. As a result, Mr. Meese will be

police believed in good faith that of state prisoners to appeal their cases at the federal level.

But current department officials do not expect major policy changes under Mr. Meese who, along with Mr. Smith, shares the administra-

Mr. Smith, who became attorney general in 1981, originally announced his resignation in January 1984 and had intended then to return to the California law firm of Gibson, Dunn, & Crutcher, where he had served as Mr. Reagan's per-

After Mr. Meese encountered difficulty in winning confirmation, administration officials, including

# Is Seen on TV Casting a Ballot

By Celestine Bohlen

Washington Past Service MOSCOW -- President Konstantin U. Chernenko appeared on Soviet television Sunday for the first time in almost two months to cast his vote in local Soviet elec-

The film on an evening news program showed a visibly weak Mr. Chernenko seated near a ballot box in a small room. He was later shown standing, receiving flowers and giving a message to election workers, surrounded by officials who included Viktor V. Grishin, the Moscow Communist Party chief and a fellow member of the ruling Politburo

A commentator said that Mr. Chernenko was voting in the Kras-nopresinski district in Moscow, where he lives. But the room on television did not resemble the polling station where he normally

Mr. Chernenko, dressed in a blue suit, spoke only a few words and appeared to have trouble walking. His gaze appeared tired and unfo-

The scene was reminiscent of the last years of Leonid I. Brezhnev. who would make brief public appearances to dampen speculation that he was gravely ill. Mr. Chemenko's reappearance

came as a surprise because his constituents in another Moscow district were told Friday that he could not deliver a traditional pre-election speech on the advice of doc-

The announcement Friday had been the first official confirmation to the Soviet public that their lead-

Mr. Chernenko, 73, who suffers from some form of lung ailment, possibly emphysema, was last seen publicly on Dec. 27, although he was reported to have attended a meeting of the Politburo on Feb. 7.

Mr. Reagan, prevailed upon Mr. His attendance at that meeting Smith to remain in office until Mr. and his appearance Sanday sug-His attendance at that meeting

missing from the Red Square line-up at the funeral of Defense Minister Dmitri F. Ustinov. The day was bitterly cold and it was widely as-sumed that Mr. Chernenko was advised to stay indoors.

He reappeared on television three days later to give awards to Soviet writers and then disappeared from view,

Until Friday's announcement there had been conflicting reports from Soviet officials about the state of his health. One had him on a winter vacation near Moscow, another said he had been ill.

An election day appearance is a raditional one for Soviet leaders. Earlier Sunday, as reporters gathcred at Mr. Chernenko's local polling station, it became apparent that he would not show up in front of

the foreign press.
Instead, attention was focused on Mikhail S. Gorbachov, who is ely considered second behind Mr. Chernenko in the Communist Party hierarchy and, therefore, a

possible successor. Mr. Gorbachov, who lives in the same district as Mr. Chernenko, as do other members of the Soviet leadership, cast his ballot before the cameras of both foreign and

Soviet television. At 53, Mr. Gorbachov is the Politburo's youngest member. He was accompanied by his wife,

Raisa, his daughter, Irina, and a granddaughter. Sunday's elections, held across the Soviet Union, were for dele-

gates to republic parliaments, city and district councils. As in all Soviet elections, the turnout was excted to be close to 99 percent or 108 million citizens, voting in a poll with only one candidate for each post. Mr. Chernenko and other mem-

bers of the leadership were elected delegates to various republic's Supreme Soviets. Mr. Chernenko was elected to the Supreme Soviet of

# In Five-Hour

By John Kifner New York Times Service

BEIRUT - A disgruntled airport guard demanding a promotion hijacked a Lebanese airliner on Saturday, forced it to fly for five hours between Lebanon and Cyprus and threatened to crash it into the presidential palace. The plane After the vote, Mr. Meese said he ily returned to Beirut and the hijacker disappeared, apparently

into nearby shantytowns. One passenger died of head injuries after he was sucked out of the open door as the plane took off. Earlier, seven others were injured

Sliding down escape chutes.

With doors hanging open and escape chutes dangling, the Middle East Airlines Boeing 707 flew back and forth between Beint and Cyprus as officials tried to talk the

hijacker into giving up.
"I have rights as a Lebanese and failed to reveal a \$15,000 interest-free loan on his financial disclosure as an employee with you and that is all I am demanding," the guard, forms, touching off an investiga-identified as Doriad Hassan, said. The incident pointed up why the airport has been gaining a reputa-

tion as a dangerous place. Diplomats and security sources say contending militias have infiltrated the airport staff to find out about the movements of opponents so that they can be kidnapped near the airport.

Last week, the chief of security at the airport, Brigadier General Yas-sin Sweid, resigned, saying that nothing was being done about his demands to fence off the perimeter

Since the airport is in territory counsel, Jacob A. Stein, declined to controlled by the Shiite Moslem evaluate Mr. Meese's ethical qualimistia, it is particularly vulnerable to bijackers demanding the return of a missing Shiite leader, Imam Moussa Sadr, who disappeared on



Lebanese soldiers examine emergency chutes ripped during the hijacking of a Middle East Airlines jet in Beirut.

burst of shooting broke out. In the confusion, flight attendants pushed Jamil Naameh, the chief national

take off, and for five hours it cir-cled over Beirut, landed, took off and landed again at Larnaca, Cy- rut and the hijacker said negotiaprins, then flew back to Beirrit.

Mr. Hassan read a list of demands that included what he said away.

The hijacking on Saturday began as the Middle East Airlines flight 203, bound for Paris, was boarding.

Mr. Hassan brandished a bag that he said contained hand grenades. A presidential palace

passengers down emergency chutes.

The hijacker ordered the plane to committee to deal with all these demands if you come back.

The plane finally landed in Bei-

## **Jordanians** Reveal Text Of Agreement With the PLO

By Judith Miller New York Times Service

CAIRO - Jordan has made public the text of its agreement with the Palestine Liberation Organization that outlines a framework for a joint approach to peace.

The agreement was signed by King Hussein of Jordan and Yasser Arafat, the chairman of the PLO, in Amman on Feb. 11. The text of the accord, distributed in English in the Jordanian capital on Saturday, specifies five principles upon which their "bid for joint action" should be based.

A key provision includes "total withdrawal" by Israel from "the territories occupied in 1967 for comprehensive peace as estab-lished in United Nations and Security Council resolutions."

Taher Hikmat, Jordan's acting information minister, asserted at a press conference in Amman on Saturday that this meant the PLO had accepted UN Resolution 242, which calls for recognition of Isra-er's sovereignty and borders, in ex-change for the return of occupied Arab lands.

His assertion conflicted with a statement issued in Tunis on Wednesday by the PLO's executive committee, which reiterated the Palestinian group's longstanding opposition to the key resolution.

The PLO has previously rejected the resolution on the ground that it failed to call for the creation of a Palestinian state and mentioned the Palestinians only as refugees. The United States has consistently refused to recognize the PLO until it accepts Resolution 242 and acknowledges Israel's right to exist. The contradiction between the

(Continued on Page 2, Col. 3)

James Meredith

#### '60s Civil Rights Activist Calls Integration a 'Sham, Con Job' By Juan Williams He shocked students and faculty, and an-saying that integration is more negative than

ington Post Service

Glass was strewn on the street. The explosion on Saturday ocand the door frame was destroyed. department stores in France. The curred at 9:31 A.M. Witnesses said. In the store, sales counters were chain celebrated its 100th anniver-

a man with European features had smashed and goods spilled into the sary in 1984 and is regarded as

DELAWARE, Ohio -At 51, James Mermarch into U.S. history. The young black gamite. man who sparked white riots by integrating the University of Mississippi in 1962 and who was shot for walking Southern back roads to protest segregation in 1966 now preaches that integration is a "sham," and the biggest con job ever pulled on any

Firemen leaving the damaged Marks & Spencer store.

Marks & Spencer has five other

Britain's most successful retailer.

In a day of lecturing at Ohio Weslevan University last week, Mr. Meredith said that the only people benefiting from integration are liberal whites and a few "black bourgeoi-

gered some, particularly blacks, with re-marks in which he seemed to be a black "Absolutel edith has taken an unexpected turn in his rightist, sometimes even sounding like a Rea-

Integration is the biggest con job ever pulled on any group of people, any nationality in the world," he said to an American history class. "It was a plot by white liberals" other black person say integration did one good thing for them."

A student asked Mr. Meredith if he was

"Absolutely, that is positively the case, especially as far as the black race is con-

cerned," he replied. Mr. Meredith was the point man in an integration fight that forced President John F. Kennedy to send 30,000 federal troops to Mississippi to protect him as he integrated

the University of Mississippi. and their wild ideas, and for a few black bourgeoisie who were paid to exercise leverage as black spokesmen. I've never heard any other black pokesmen are interested in the poster that there is "no history I've been a poster that the pos that has made black people more viable,

competitive."

The only accomplishment of the civil

Title 2 of the Civil Rights Act of 1964, which outlaws discrimination by hotels and restau-

In another class, a white student asked if he was saying "we shouldn't let blacks come to school here, we should end integration." "Have you ever heard of Irish, Poles, Ger-

mans, Italians and Jews being integrated?" Mr. Meredith asked. "They go anywhere and just enjoy their rights. Why call it integration when black folks do the same thing? It's a con job."

He added, "The people who started this integration thing knew that in 30 years they'd still have the same thing, the same (Continued on Page 2, Col. 7)

#### INSIDE

■ Pakistan is preparing for elections to national and provincial assemblies after nearly eight years of martial law. Page 2. The farm and fillibuster in the U.S. Senate ended, but another skirmish on the issue is due this week. ■ General William C. Westmoreland saw a "no-win situation" in his lawsuit against CBS.

■ Spain agreed to resume purchases of Algerian liquefied natural gas, ending a four-year price dispute, Algeria said. Page 13.

■ Cyprus's president rejected a demand by parliament that he accept a United Nations-sponsored pact with Turkish Cypriots. Page 5. RUSINESS/FINANCE

# First National Bank of Boston knew well before last year of a law on

reporting currency transactions, the U.S. government says. Page 13. An island divided: The key for peace is momentum in the Cyprus talks. Page 7.

# Pakistan Prepares for Vote After 8 Years of Martial Law

By Steven R. Weisman New York Times Service KARACHI, Pakistan - After

nearly eight years of martial law and despite the arrest of hundreds of political activists, there are small signs that an election of some consequence is going to be held in Pakistan this week

The voting for a National Assembly and provincial assemblies is dissent against General Zia, who to take place Monday and Thursday, and President Mohammed Zia ul-Haq has promised to return the nation to civilian rule if it goes smoothly.

The stakes appear to be high, but one could hardly tell on the surface. In this vibrant port on the Arabian Sea, where tens of thousands of demonstrators have taken to the streets in the past, rallies today consist of a few hundred people and break up soon after they start. Demonstrations, processions and oudspeakers are banned

At the headquarters of Jamaat-i-Islami, a Moslem group that is indirectly supporting the election, despite a ban on participation by political parties, a spokesman held a news, conference Saturday to

complain about vote-rigging.
Nearby, at the home of Mustafa
Jatoi, the leader of the banned Pakistan People's Party, an unwelcome contingent of soldiers carrying rifles and handguns stood guard underneath the eucalyptus trees and bougainvillea. Mr. Jatoi is under house arrest

Armed convoys of trucks and eeps patrol the streets to make sure that what government officials call disruptions of the elections do not occur. The soldiers are camped out in tents pitched at a sports stadium, a private club and a youth center.

step away from democracy.

General Zia's supporters say the voting will at last confer legitimacy on his government and vindicate the U.S. policy of supporting him with large amounts of military and

But in Karachi, the stronghold of seized power in a coup in 1977, critics say the elections are so obviously tainted that they could spell the beginning of the end of his time

Last week, hundreds of Zia opponents were rounded up and ailed in what the government called a preemptive measure to stop the opposition from encouraging a boycott that could cast doubt on the election's legitimacy. But even people sympathetic to General Zia concede that the move was a tactical blunder that highlighted the complaints of his critics.

Shahida Jamil, chairman of the women's division of Tehrik-i-Istiq-lal, another banned party, said: "I think we're going backwards. Zia is living in a fool's paradise. That's the state of mind that caused him to call this ridiculous election."

Critics say the height of General Zia's arbitrariness came in December, when election officials announced that voters had supported a referendum backing his efforts to bring Pakistani law into conformity with Islamic law. As he had promised to do before the referendum. General Zia construed the results as electing him to a five-year

Then he scheduled the legislative private club and a youth center. elections without saying what pow-People seem to agree that the ers the new National Assembly elections may be a milestone for would have. He has promised to let

Pakistan. But they disagree whether the voters know about that issue or they will be a step toward or a "any day now," according to a Karachi newspaper. The general's critics, discussing

his promise to return Pakistan to civilian rule, note that he has promised an end to martial law since he took power in 1977.

They question not how big the turnout will be, but whether General Zia will lift martial law, resign as chief of staff of the army and share power with the National Assembly, as he has promised.

By all accounts, many people in the opposition agonized over their decision to boycott the election. Some members of the banned parties have bolted and are running for office as individuals or supporting candidates in defiance of the party leadership.

"The problem with the opposition is that it has no coherent strategy except to criticize," a Western diplomat said. "There's been no public outcry against the arrests. A lot of the rank and file in the opposition are disappointed with the de-cision to boycott and worried that

■ Journalist Held 12 Hours

Police in Karachi released a local correspondent for the British Broadcasting Corporation on Sun-day after holding him for 12 hours without giving a reason, Reuters reported from Islamabad, Paki-

Iqbai Jaffery, who also works for Time magazine and Danish radio, said plainclothes police took him from his home Saturday but never showed him a detention order. He said the Karachi police commissioner, Syed Sardar Ahmad, was "apologetic" and blamed the arrest on confusion between civilian and military security agencies.

## **Jordanians Reveal Text** Of PLO Pact

(Continued from Page 1)

PLO's Tunis declaration and Mr. Hikmat's assertions Saturday led some Western officials in Cairo to express concern over whether progress toward the resumption of peace talks could be made in view of the apparently conflicting interpretations of the Hussein-Arafat document

A Western official who has closely followed the Jordanian-Palestinian negotiations speculated that Jordan might have released the text of the accord to clear up mis-

understandings about its contents.

The official also predicted that Israel would strongly criticize the agreement, since it calls for actions that Israel has consistently reject-

The document calls for the achievement of a peaceful and just settlement of the Middle East crisis" and "termination of Israeli occupation of the occupied Arab territories, including Jerusalem, based on five points.

In addition to its insistence on total Israeli withdrawal from occupied lands, it asserts that a joint peace bid should affirm the "right of self-determination for the Palestinian people."

Palestinians, the accord continues, will exercise this right "when Jordanians and Palestinians will be able to do so within the context of the formation of the proposed confederated Arab states of Jordan

Mr. Hikmat said it was "prema-ture" to discuss the details of such a 9 Shiite Moslem Villages confederation. A senior Jordanian official said this was among several items about which Jordanians and Israeli soldiers told the residents

the PLO were still negotiating. The PLO has long insisted on the eventual creation of an independent Palestinian state; Jordan favors the creation of an entity in association with Jordan, which the

Reagan administration has also en-Another principle for joint ac-tion calls for peace talks "under the auspices of an international conference in which the five permanent members of the Security Council

will participate." Mr. Hikmat stressed Saturday that the conference would include the Soviet Union, something to which both the United States and Israel have objected.

Nabatiyeh, but that there were no sector Friday night, according to The Lebanese National Resis-The accord also calls the PLO Lebanese in two Shiite villages east tance Front said in a statement the "sole legitimate representative published Saturday that its forces of the Palestinian people," but asserts that it will participate in any mounted 11 assaults on the Israeli Army in the previous 24 hours and peace talks "within a joint delegathat they used rocket launchers and tion" of Jordanian and Palestinian

representatives. A Western official said this appeared to be a significant policy shift for the PLO, since efforts to revive peace talks collapsed in April 1983 over this issue.

Mr. Hikmat urged the Reagan administration on Saturday to revise its Middle East policies and endorse the accord as an important step toward an Arab-Israeli settle-

■ Shamir Assails Agreement

Foreign Minister Yitzhak Shamir of Israel dismissed as "unacceptable" Sunday the joint strategy for peace in the Middle East developed by Jordan and the PLO, The Associated Press reported from Je-

"I think it is aimed more at influencing the United States to change its position toward the PLO rather than at furthering peace," Mr. Shamir said before leaving for a fiveday trip to Western Europe.



clubbed by another policeman during a protest in Frankfurt Saturday. Four demonstrators were injured and 35 were arrested in the protest over distribution of rightist leaflets.

## Pentagon and CLA Continue to Differ Over Estimated Soviet Military Outlay

By Don Oberdorfer

Washington Post Service
WASHINGTON — The administration's civilian and military intelligence agencies have sought to present a common front on the question of Soviet military spending, but newly reported statements by a Pentagon official appear to keep open the gap between them.

The Central Intelligence Agency issued a five-paragraph press statement Friday emphasizing that despite a slowdown in the growth rate of Soviet defense spending, Moscow continues to outspend the United States by substantial mar-gins "overall and in important specific categories." The CIA statement was handed

out by the Defense Department. whose Defense Intelligence Agency has publicized higher Soviet spend ing estimates than those of the CIA, a civilian agency. A CIA estimate made in congressional testi- gram in 1983 and aircraft pur-

last week put that rate of growth at 2 percent Friday's CIA press statement

was handed to Pentagon reporters with a brief message saying that it was "coordinated with the Depart-ment of Defense" and that "the Department of Defense endorses At the same time, Harvard University's Russian Research Center

made available a speech there Feb. 14 by Norbert Michaud, chief of the strategic defense economics branch of Defense Intelligence Agency. Mr. Michaud said his agency estimated an increase of 5 to 8 percent in Soviet procurement of major weapons systems in 1983, measured in dollar terms, and "further increases" in 1984.

These increases were highlighted by a major Soviet shipbuilding pro-

## Shultz Warns of 'Tyranny'

(Continued from Page 1)

aligned to Moscow. But if the rebels are denied aid. the United States might at some time in the future, in some unpreprotect its interests, the aide said.

would keep Nicaragua from be-coming "another Cuba," deeply not just use its own troops. He said that "was not a possibili-

ty" for the United States because four own friends and allies south of dictable way, then have to act to Organization of American States, would not tolerate our going in Mr. Reagan, in his meeting with with armed force in Latin Ameri- of the United States by a large

Acknowledging differences with CIA estimates. Mr. Michaud said his agency was "basically using CIA prices" for Soviet weapons, adjusted for a "learning curve" he did not explain. He said the main difference between the two intelligence agencies was over the quantity of Soviet weapons estimated to have been procured. Robert Gates, the CIA's deputy

mony in November and released chases in 1984. Mr. Michaud said.

director for intelligence, referred in congressional testimony released Thursday to "a stagnation in spending for military procurement after 1976 for the Soviet Union that lasted for "at least seven years "from 1977 to 1983." At another point Mr. Gates said

the preliminary CIA estimates for 1983 "suggest that procurement may have experienced some modest growth over 1982." He described this conclusion as "tentative" because of the difficulty in estimating the distribution of costs over time and said another year of data is required before reaching conclusions about what is happen-

ng. In its statement last week, the CIA said Mr. Gates' testimony as released by the Joint Economic Committee "presents a narrow view of Soviet military growth." Emphasizing what it called "the broader context," the CIA said dethe border, friendly nations and the spite the decline in the Soviet growth rate, the cost of Soviet defense activities "has exceeded that

## **Ethiopia Demands Israel Return** Falasha Jews Who Went on Airlift

ADDIS ABABA, Ethiopia The Ethiopian government has de-manded the return of Ethiopian Jews, or Falashas, who it says were kidnapped in an airlift to Israel.

A statement by the Foreign Ministry published Sunday in the government-owned Ethiopian Herald contended that the Falashas. known as Ethiopia's black Jews,

were not Jews at all. The government, the statement said, "calls on the international respond favorably to Ethiopia's de-

mand for the orderly and immediate repatriation of the abducted cit-In one of its strongest attacks yet on the Israeli airlift, Ethiopia

charged that thousands of Falashas were kidnapped with the connivance of neighboring Sudan, which

NOUMEA, New Caledonia -

ist politicians.

on the runway.

son taken to the Jewish state. "It is a serious affront to the sensibilities of world public opinion that the current drought and famine in Ethiopia should be invoked as an excuse for the Israeliengineered, and Sudanese-assisted. massive kidnapping of the Fala-shas," the Foreign Ministry said.

"The entire operation conjures up the revival of the slave trade," it "The Sudanese-Israeli conspira-

community to prevail on Israel to cy and act of brigandage is based on the claim that the Falashas are Jews. But this is a serious distortion of fact, for which there is no historical, archaeological or anthropological basis whatsoever."

Israel mounted the operation last November to bring the Falashas from Sudanese refugee camps. It ended after news of the secret airlift

it said received \$1,000 for each per- was leaked to the media. It is estimated that about 10,000 Falashas reached Israel through the airlift. In the mid-1970s, Jerusalem's chief rabbinate declared the Falashas Jewish descendants of the an-

cient tribe of Dan. Falashas interviewed in Ethiopia have described themselves as Jews who have preserved their faith despite attempts to convert them to Christianity over the years. The Foreign Ministry statement

alleged that the Falashas faced racial persecution in Israel. "They are discriminated against in housing and the most menial jobs are reserved for them," it said.

The statement also charged that the Falashas were being settled in the "most precarious surroundings along the Israeli border to serve as cannon fodder in the event of hos-

Rightists Call for Protest in Nouméa and the militantly pro-indepen-

## weeks ago organized another con-frontation with Mr. Pisani when he

White settlers fighting indepen-dence for this French territory called Sunday for a day of protest against the expulsion of five right-The announcement came a day land's northeastern coast. after militant Melanesians stopped Two policemen and 11 Kanaks

the president of the territorial govwere injured in the fighting. ernment, Dick Ukeiwe, from visiting his home island. They prevented his plane from landing by lying

The anti-independence party, Rally for Caledonia in the Republic, said a mass march had been planned for Tuesday morning, hours after a midnight deadline for A party statement said that peo-

ple should stay away from work and urged shops and other businesses to close for the day to protest the order by Edgard Pisani, France's special envoy to the South Pacific territory.

The five men ordered expelled, all members of the rightist Caledonian Front, have gone into hiding. "We affirm our decision not to leave," they said in a statement on

Sunday, adding that they would "continue the fight against the arbitrary justice which victimizes defenders of a French New Caledo-Mr. Pisani ordered them ex-

هكذا من الإص

That violence, on Feb. 17, erupted when several hundred settlers tried to stage a beach picnic in the Kanak stronghold of Thio, a nickel-mining town on the main is-

dence Melanesians, or Kanaks.

France's prime minister, Laurent Fabius, backed the expulsion order

on Saturday and rejected an appeal by Jacques Lafleur, leader of the Rally for Caledonia in the Republic, that the five men be allowed to stay in New Caledonia. Mr. Lafleur, a member of the

#### Industrialist Kidnapped **By ETA Freed in Spain**

SAN SEBASTIAN, Spain

Angel Urteaga, a steel mili owner, has been freed 36 days after he was kidnapped by guerrillas of the Basque separatist organization ETA, his family said Saturday. His family said Mr. Urteaga, 56,

was released unharmed Friday near the town of Astigarraga and had returned to his home in San Sebastian. A spokesman for the family would not comment on reports that a ransom of up to \$1.1 million had pelled after clashes between police lease.

called for a mass violation of a night curiew. On Saturday, officials said,

about 150 Kanaks blocked the runway on the eastern island of Lifou as Mr. Ukeiwe's plane tried to land. Mr. Ukeiwe, who opposes independence, said on his return to the capital, Noumea, that the protest was an intolerable constraint on the right to travel. He said he would soon go back

to Lifou. Airport officials said that all flights to the island, about 125 miles (201 kilometers) from Noumea, had been canceled indefinite-

Mr. Ukeiwé tried to visit Lifou. most of whose residents are against independence.. following a stonethrowing incident there Friday in which a policeman's jaw was broken while he was driving a jeep.

Police said supporters of the Kanak Socialist National Liberation Front threw the stones. The wounded policeman was flown by helicopter to Noumea.

That incident followed renewed violence on the territory's main island, which came after a month of relative calm About 20 persons have died

since the Kanaks launched a cambeen paid for Mr. Urteaga's re- paign for independence in mid-No-

## WORLD BRIEFS

## Birth Control Implant Found Effective

NEW YORK (AP) — A contraceptive that is implanted under the skin of a woman's upper arm for five years at a cost of about \$60 has been found safe and effective by World Health Organization researchers, the Population Council has announced.

The six 1-inch (2.5-centimeter) capsules that provide contraception winds up being the most effective contraception in the world, other than sterilization," said Dr. Wayne Bardin, vice president of the council and director of its Center for Biomedical Research, which developed the implant. The capsule-sized implants, tested by 16,000 women in the United States and 13 other nations, provides contraception by inhibiting ovulation in at least 50 percent of the women and preventing sperm from

entering the uterus, Dr. Bardin said Saturday.

The implants, manufactured by a Finnish pharmaceutical company and called NORPLANT, contain no estrogen, making potential side effects minimal, he said. NORPLANT was approved for use in Finland two years ago; Sweden approved the contraceptive for use earlier this year. Application for U.S. Food and Drug Administration approval will be made this year. That agency's approval is expected in two to three years, Dr. Bardin said.

### Waste Cleanup Plan Proposed in U.S.

WASHINGTON (NYT) - The Reagan administration has proposed a five-year extension of the federal program for cleaning up toxic wastes that would impose a new tax on the disposal sites where wastes are dumped and double the states' share of the cost.

At a news conference Friday on the \$5.3-billion proposal, Lee M.

Thomas, head of the Environmental Protection Agency, said the plan would allow the use of funds approved by Congress five years ago only to clean up hazardous waste problems and emergency spills.

Congressional Democrats and environmental groups, who are backing a \$7.5-billion program, attacked the Reagan plan as inadequate to clean up the 2,200 waste sites that pose the most immediate hazard. Commercial waste disposal companies said the new tax would pose an unfair burden on them, as did several state officials. The new proposals would require the states to double their share of construction costs at toxic waste

#### Guatemala to Hold Vote in October

GUATEMALA CITY (Reuters) - Presidential elections will be held n Guatemala in October, and the country will return to civilian rule in January, the Supreme Electoral Tribunal has announced

Tribunal officials said at a brief ceremony on Friday that they, the head of state, General Oscar Mejia Victores, and the constituent assembly had approved an electoral timetable drawn up by the main political parties. The assembly would draft an electoral law by the end of May and elections would be held on Oct. 27. If necessary, a run-off ballot would take place on Nov. 24.

General Mejia Victores promised to hand power over to a freely elected government soon after taking power in a coup in August 1983. Guatemala has been ruled by military dictatorships or military-dominated govern-

### Kuwait Crown Prince Is Reappointed

KUWAIT (AP) - Kuwait's crown prince, Sheikh Sead al-Abdullah al-Salem al-Sabah, was reappointed prime minister Sunday and entrusted with the formation of a new Kuwaiti government by the ruler, Sheikh

Jaber al-Ahmed al-Sabah.

The outgoing cabinet led by Sheikh Saad had resigned Saturday after elections for a new parliament. Since Kuwait gained its independence in 1961 the crown prince has always served as prime minister.

#### Javits Enters a Hospital in New York

NEW YORK (AP) - Former Senator Jacob K. Javits of New York, who has had a progressive muscle and nerve disorder for several years, was rushed to a hospital on Sunday because of severe breathing problems, officials said. He was reported in stable conditition.

Mr. Javits, 80, "was acutely ill on arrival due to conditions arising from his pre-existing chronic condition," said Jed Golden, a spokesman for New York Hospital. "He has since been stabilized."

The former senator, a Republican who represented New York from 1956 to 1980, was admitted to the hospital's intensive-care ward with "pulmonary complications," Mr. Golden said. He gave no further details.

#### Sri Lankan Aide Found Dead in North

COLOMBO, Sri Lanka (Reuters) - A Sri Lankan official who had been abducted in Sri Lanka's northern region has been found dead, but another official seized with him has been released, government sources

They said that security forces suspected Tamil separatists of killing the official, who was identified as K. Gnanachandran, a government agent for the Mullativu district in northern Sri Lanka. His body was found Sunday in the Killinochchi district with gunshot wounds in the head. The

officials said they did not know the motive for the killing. Mr. Gnanachandran and Kirupa Thilingan, a director of planning in Muliaitivu, were abducted Friday from a bus at Parandan, 50 miles (81 kilometers) from the provincial capital of Jaffna. The sources said the guerrillas, who are fighting for a separate state for Tamils in northern areas, released Mr. Thilingan on Saturday. He was unharmed.

### Correction

In some editions of the International Herald Tribune of Saturday-Sunday Feb. 23-24, a photo caption incorrectly identified Haing Ngor, a star of the movie "The Killing Fields." The photograph also carried an incorrect credit. The credit should have specified that it was an Associat-

## Meredith Belittles Integration

(Continued from Page 1)

problem they could take advantage of. That was the object of the con — to keep blacks separate." Mr. Meredith told students and faculty that he thought American blacks were now worse off than at any time in history, including the period when they were enslaved.

He argued that integration has ruined black education by taking away from black parents the con-trol of their children's education and antagonized whites to the point that they do not even want to hire blacks. Integration has also destroyed the black family, he said, as black children are told that white schools, white neighborhoods and hite stores are better.

Mr. Meredith predicted that unemployed black youths, who he said have robbed and torn down black neighborhoods, will soon start rampaging in white neighbor-hoods and the suburbs.

Like Bernhard H. Goetz, the man who shot four minority youths who asked him for money on the New York subway, he predicted that more whites would buy guns and go after blacks, and "no one is going to blame them," he said. Mr. Meredith sees himself as a "general" as blacks begin to respond to the racial conflict that he He said that whites are avoiding

the "number one problem in America --- race," by staying away from blacks whenever possible and thinking of themselves as good peo ple for doing it. He sees some hope in the genera-

tion of whites around the age of 30. They know firsthand, he said, how

badly integration has failed because they had direct experience with it in school. He said young Americans were guinea pigs in a "disastrous social experiment" that involved mixing children from different social class-

es in schools. He said these social

lasses could not mix anywhere. "My research shows today whites age 30 and under are more racially conscious and hostile than whites over 50 because of desegregation," he said. "The schoolchi dren of the past 20 years had to deal with it, they know the problems. Whites have developed hostilities people don't want to ac-

The under-30 group, he said, know they do not want their children to go through the class and racial strife of school life that they

#### Nigerians Flee Equatorial Guinea

LAGOS - Nigeria has sent ships and planes to neighboring Equatorial Guinea to evacuate 500 of its citizens who have taken refuge in its embassy there, the Nigerian news agency reported.

The agency said Saturday that the Nigerians had been taken there illegally as plantation workers and, the words of Foreign Minister Ibrahim Gambari, were treated as "slaves."

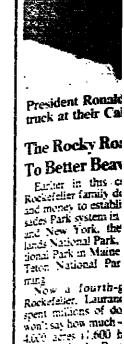
The agency said a Nigerian gov-rument report said the Nigerians fled to the embassy after one of the workers was shot to death in a scuffle with Equatorial Guinea se-

curity agents.

The agency said the Nigerian military authorities have sent two naval vessels and five military transport planes to bring the workers home.

The leader of Equatorial Guinea. Colonel Teodore Obiang Nguema, apologized to Lagos for the inci-dent in which the Nigerian worker died, promising that the security official who shot him would be brought to trial, the agency said...

The evacuees were recruited by a Nigerian named Etim and smuggled to Malabo, the capital of Equatorial Guinea, according to the agency. It said Mr. Etim has been arrested and handed over to the Nigerian Embassy.



on the verge of radii because of unplante son. Mr. Rockefelle himself subdivided th into le- to let-aure D stringent restrictions tion and design of new The valley is unquener beautiful than Rockefeller moved in eas, Lee Kuttner, po-Lea Beach, told The Times. This place of ing strong "People wi shacks, trailers and so Bat no longer "List will go atou ley and if he sees son thinks is unattractive

farmland in the Bear

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What looks usly to L good to them." Taking Candy from Babies

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be'll pay to bave it frac Lee Walff, a neighbo

small calldren the Kn market chain has teme from at least one counter in each of its s Louis and Cincinnati. Support like Che me matein. She said old daugmer. Cate, b of graphing a sweet tr moved intough the line. "It drives me or Yellig said. "If I'm

## Poll Sug For Refu

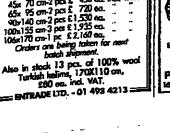
5; Steve Loh: STONEY - Prime Bob Hawas appears to fered a sanificant loss support over his reversal her pledge to Washingtor the use of Australian base itor an MX missile test. A Morgan-Gallup poll Wednesday indicated the firm time since Mr. Ha elected in March 1983, su his Labor government for that for the Conservative

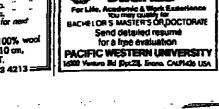
Mr. Hawke made the ! sion this month after a rev party. The results of the p on a sampling taken after sion, indicated that suppo bor was down 7 percenta since late January, to 43 and that oacking for the ( we opposition had climb centage points, to 47 percentage public approval rating Hawke [el] from 65 pero Percent The MX controversy

considerable damage Hawke percentally and it therity, Said Malcolm M a senior lecturer and polit lyst at the Australian Force Academy in Canbe internationally, the effe Australian reversal was n because it came immedia: New Zealand refused a po a U.S. destroyer unless the ment was assured that the ried no nuclear weapons. The reversal on the N

dicated that Mr. Hawke the depth of anti-nuclear s in his own party. The publi ing that resulted, comm MEMORIAL NOTIC Catherine LETTIN BEST

menoral LET TAY DRESSES OF SERVICE WIll be Molec-Dame-des-Decureur, Russian 1050 Britishis, Belgium















PROTESTERS ARRESTED — Washington state po-

lice remove protesters from the railroad tracks in Van-

couver as they try to block passage of a train they

believed was carrying nuclear warheads to the Trident submarine base in Bangor. About 106 were arrested.

SIDON, Lebanon - Israeli over loudspeakers that the siege

who attacked an Israeli patrol in

The radio said that the witnesses

The Israeli clampdown started

cluding two officers, were killed in

hit-and-run attacks by Shiite guer-

The action against Shiite villages

managed to escape over the moun-

tains and side roads to Beirut.

mortars for the first time.

dier has left Lebanon.

farther south a week ago.

The front, believed to be an um-

brella group for several Moslem

and leftist factions fighting the Is-raelis, said that the fighting would

continue until the last Israeli sol-

There has been an increase in the

number of attacks by the guerrillas

since the Israeli Army withdrew

from the Sidon area to new lines

The Israeli Army has embarked on what Yitzhak Rabin, the de-

fense minister, called an "iron fist"

policy to suppress the Shiite guer-rillas.

forces sealed off nine Shiite Mos- would not be lifted until gunmen

and cut roads across their front the area earlier in the week were

Nabatiyeh, where guerrillas twice Monday after three soldiers, in-

spokesman said that there had been Saturday came after six attacks shooting at Israel's liaison office in against Israeli positions in the Tyre

handed over.

Israeli Troops Isolate

lem villages east of Tyre on Sunday

lines in south Lebanon, Lebanese

Fuel supplies were running out in the port of Tyre and flour was in

short supply in the Shiite town of

attacked an Israeli post overnight

Saturday, wounding three Israeli soldiers, the Lebanese sources said. In Tel Aviv, an Israeli Army

Israel said it killed nine armed

Earlier, Ihsan A. Hijazi of The

Prime Minister Rashid Karami

accused Israel on Saturday of wag-

ing a "real war" against Moslem

villages in southern Lebanon and

said his government was consider-

ing asking the United Nations Se-

curity Council to hold an emergen-

cy session to discuss the problem.

Beirut Radio quoted witnesses as

saying that in the besieged town of Karoun in southeastern Lebanon,

A RARE OPPORTUNITY TO OWN FAMOUS

New York Times reported from Bei-

security sources said.

of Tyre on Saturday.

■ Karami Denounces Israel

#### **AMERICAN TOPICS**



President Ronald Reagan and his wife, Nancy, displaying their new bright red pickup truck at their California ranch. The 1985 Ford Ranger was a joint Christmas present.

#### The Rocky Road To Better Beaverkill

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Earlier in this century, the Rockefeller family donated land and money to establish the Palisades Park system in New Jersey and New York, the Virgin Is-lands National Park, Acadia National Park in Maine and Grand Teton National Park in Wyo-

Now a fourth-generation Rockefeller, Laurance, 40, has spent millions of dollars - he won't say how much — to buy up 4,000 acres (1,600 hectares) of farmland in the Beaverkill river valley about 100 miles (160 kilometers) northwest of New York

City.
"I was worried the valley was change, on the verge of radical change, because of unplanned subdivi-sion," Mr. Rockefeller said. He himself subdivided the land, but into 10- to 100-acre parcels, with stringent restrictions on the loca-

tion and design of new buildings.

The valley is unquestionably more beautiful than when Mr. Rockefeller moved in, residents say. Lee Kuttner, postmaster at Lew Beach, told The New York Times, "This place was becoming scuzzy." People were living in shacks, trailers and school buses. But no longer.

"Larry will go around the valley and if he sees something he thinks is unattractive, he'll ask people if they'd change it and he'll pay to have it fixed up," said Lee Wulff, a neighbor and fly-fishing expert. "Some resent it. What looks ugly to Larry, looks good to them.

#### Taking Candy From Babies

itor an MX missile test.

that for the Conservative opposi-

Mr. Hawke made the MX deci-

party. The results of the poll, based

on a sampling taken after the deci-sion, indicated that support for La-

bor was down 7 percentage points

since late January, to 43 percent,

and that backing for the Conserva-tive opposition had climbed 6 per-

centage points, to 47 percent. The

public approval rating for Mr. Hawke fell from 65 percent to 57

"The MX controversy has done

considerable damage to Mr.

a senior lecturer and political analyst at the Australian Defense

because it came immediately after

New Zealand refused a port call by

a U.S. destroyer unless the govern-

ment was assured that the ship car-

ried no nuclear weapons.

Force Academy in Canberra.

In deference to mothers with small children, the Kroger supermarket chain has removed candy from at least one checkout counter in each of its stores in St. Lonis and Cincinnati.

Shoppers like Cherry Yellig are grateful. She said her 3-year-old daughter, Cate, had a habit of grabbing a sweet treat as they moved through the checkout line. "It drives me crazy," Mrs. Yellig said. "If I'm coming

the use of Australian bases to mon-competitive internationally.

sion this month after a revolt in his lating the financial system, and party. The results of the poll, based lowering protective tariffs and quo-

thority," said Malcolm Mackerras, now challenge the prime minister

through in the evening, it's a fact | widely reprinted interview with that I don't want her eating candy before dinner."

Kroger's new policy has yet to be extended to its other stores throughout the Midwest, and some marketing experts are dis-turbed. Sweets have been a fixture on grocery store counters since the days of gum drops and penny candy. Herbert W. Page, a former

sales executive with Borden Foods, said candy at checkout counters sells three times as much for each square foot of space as the rest of the store. Shelly Grossman of the National Candy Association, a trade group, said, "Discipline begins with the parent, and our attitude is the product should be avail-able."

#### Short Takes

At age 26, the Barbie Doll, which evolved from the girl next door to a beach-lounging woman of leisure, while dabbling at being a nurse and an astronaut, has changed her ways again. Today her lifestyle calls for business suits, a tiny altaché case, even tinier credit cards, and her own office, equipped with computers.
Spencer Boise, spokesman for
Mattel Inc., said, "We are trying
to update Barbie. She is a working woman and is dressed that way.'

#### Notes About People

The current must for White House reading is Tom Clancy's The Hunt for Red October, about an attempt to defect with the Soviet Union's most advanced nuclear submarine. The New York Times reports that Nancy Reynolds, a Washington lobbyist, called it to the attention of a friend, Nancy Reagan, who enjoyed it and handed it to the president, who is said to be im-mersed in it. Robert C. McFarlane, the president's national 🕿 curity adviser, also is reading the book, as are other White House staff members. "Red October," by the way, is the No. 1 bestseller at Pentagon bookstores.

President Ronald Reagan, in a

Poll Suggests Hawke Lost Support

For Refusing to Let U.S. Test Missile

The impression that Mr. Hawke

Party politician of championing

such free-market policies as float-

ing the Australian dollar, deregu-

tas that shield certain domestic in-

Hawke's original position on the

the Santa Barbara (California) News-Press during his recent visit to his ranch, said he expects that after his second term he and Mrs. Reagan will live in Los Angeles and vacation at the ranch, which would be "too secluded" to stay at all the time. How about living in Palm Springs, Califor-nia, where the Reagans usually spend New Year's? The presi-dent replied, "I've never been a great alicianado of the desert."

Jeane J. Kirkpatrick is a lifelong registered Democrat even though she addressed the Republican National Convention last summer and is finishing out a four-year assignment at the United Nations for President Reagan. She says, "There's no question about whom I support. think that once I'm out of this office I'll have time to think about it and maybe find my way out to a registration place."

Paul Douglas, the former at-torney general of Nebraska, was convicted on a perjury charge in connection with the failure of a savings company. His lawyers appealed, alleging 36 judicial er-rors in the conduct of his trial. A state judge denied the appeal, ruling that Mr. Douglas was enti-tled to a fair trial "but not a

#### Wondering About Craven Images

A letter from Columbia, South Carolina, to The New York Times gently takes one of The Times's book reviewers. Christopher Lehmann-Haupt, to task for remarking, in a review of Gail Godwin's "The Finishing School," that "if the book has a minor flaw, it is the name given to an old admirer of Justin's mother — a Southern boy, for whom she once saved the last dance, named Craven Ravenal." The letter asks, "I wonder if Justin's mother would have

saved the last dance for Christopher Lehmann-Haupt, a Yankee boy no doubt." The letter is signed DuVal Cravens Ravenel.

-- Compiled by ARTHUR HIGBEE

## U.S. Senate Settles a Dispute, Prepares for Another

The agreement reached Saturday ended a weeklong filibuster against the confirmation of Edwin Meese 3d, who was later approved as attorney general.

The farm-credit compromise, approved by the Senate leadership. provides that members from both parties can offer proposals for additional aid to farmers who are seeking financing to start spring planting. The proposals, four from each party, would be offered as amendments to an African famine relief bill that is scheduled for floor

President Ronald Reagan, who previously criticized the linking of the farm credit proposals to the Meese vote, said Saturday in his weekly radio broadcast that only a frustrating week of false starts and a few hours sleep. Mr. Byrd held a minority of farmers were in severe failed talks that set Senate tempers breakfast meeting with his Demo-

the accord, many acknowledged that the ferocious clash on the first senators saw that by holding the major issue of the new Congress was "a bad way to get started," as Senator Robert C. Byrd of West credit issue. After several days of Virginia, the Democratic minority leader, put it.

debate on the farm problems sig-naled the beginning of a campaign for political advantage leading up to the elections of 1986, when control of the narrowly divided Senate will be decided.

the new majority leader. Many Republicans said it was essential for legislative proposals on the farm their party to face down the filibus-issue that go beyond the administheir party to face down the filibus-tering Democrats and demonstrate trative changes made. their control of the Senate.

sion. The AFL-CIO spends \$3 mil-

lion yearly on television advertising

and production, and both the fed-

of women office workers who ini-

Japan May Ban Import

TOKYO - Japan may stop im-

porting blood from South Africa in

view of Japanese opposition to Pre-

Mr. Matsuoka said Saturday in

parliament that his ministry would

counsel against importing blood from South Africa. A ministry offi-

rivative a year from South Africa.

toria's policy of apartheid, according to the health and welfare minis-

ter, Hiroyuki Matsuoka.

By Steven V. Roberts

New York Times Service

WASHINGTON — The Senate has resolved one acrimonious dispute over farm credit measures but has set the stage for another skirmish over the same issue this week.

Inancial distress and that the taxpayers must not be asked to save every farmer.

While lawmakers congratulated one another Saturday on reaching the accord, many acknowledged that the ferocious clash on the first senators saw that by holding the

talks between lawmakers and administration officials, the White To many senators, the week of House agreed to expand existing ebate on the farm problems sig-

Those changes, which did not require legislation, were put into practice by the administration Friwill be decided.

The week also provided the first because lawmakers could not agree real test of Senator Robert J. Dole.

on a formula that would permit Democrats to offer a package of

The talks collapsed early Satur-Saturday's agreement ended a day morning over that issue. After

egy to continue their filibuster. However, Mr. Dole and the Republicans came forward with a new offer, and an agreement was quickly hammered out by mid-after-

amendments this week calling for even more generous loan programs to farmers. Senator J. James Exon, Democrat of Nebraska, said on the floor Saturday that it was "vitally floor Saturday that it was vitally necessary" to go beyond the measures agreed to last week and put more cash into farmers' pockets by making crop payments available now that are usually made avail-

able in the fall.

The Republicans strenuously resisted any agreement that would assure the Democrats a chance to offer amendments. Many farm-state Republicans are up for reelection next year, and they do not want to cast votes that could be used against them in the campaign.

"They're paranoid about the who are the b.
1986 elections and losing the Sention," he said.

ate," said Senator Edward Zorin-sky, Democrat of Nebraska. "This creates a record for the 1986 election as to who truly supports agri-culture and who doesn't."

"Farm Belt senators would be put on the record," he added. They would have to make a choice between following their party line or voting for their farmers. That's the bottom line." Mr. Reagan, delivering his week-

radio address Saturday, said: About two-thirds of today's farmers have no debt problems and only a minority of the remainder are in severe financial distress."

Mr. Reagan said that "inflexible" federal farm programs, "have increased dependency on the federal government, weakening incentives for self-reliance."

He said that the federal government had some responsibility for

providing relief.

The same government which

played a part in this unhappy drama must not turn away from those who are the backbone of our na-

## AFL-CIO Accepts Plan To Reinvigorate Unions

By Peter Perl Washington Post Sernce

BAL HARBOUR, Florida --Leaders of the 13-million-member eration and its unions must expand AFL-CIO, the nation's largest la- the effort, the report said. bor federation, have adopted a proposal for reinvigorating organized ganizing. Several government-emlabor, including more mergers of its ployee unions began as professionods, better use of the media and were not originally allowed to new cooperative and confrontational tactics for dealing with em- union also has formed associations

The changes were recommended tially were reluctant to unionize. by a 25-member study committee The report suggests that union or-of the American Federation of Labor and Congress of Industrial Or- sues"in workplaces toward the "ulganizations and in most cases they timate end" of winning support for would have to be approved by indi-vidual unions. The document was approved Thursday by the federation's executive council.

gaining agreements include use of arbitration or mediation rather than strikes, and it recommends emphasizing the new concerns of workers.

The report acknowledges that "unions find themselves behind the pace of change" in American society and concludes that "the seeds of a resurgence" for labor lie in undertaking new strategies and reactivating old ones.

Its recommendations result from cial said that Japan imported about public opinion surveys about one ton of crude blood plasma deunions and from reports commissioned by the AFL-CIO from ex-rerts at Harvard University, Mas-nerts at Harvard University, Mas-nerts of 1,600 tons, mainly from sachusetts Institute of Technology, the United States, he added Xerox Corp. and other institutions

The recommendations include: Actively promoting mergers to improve the bargaining power of individual unions and adopting guidelines for mergers. (The AFL-C1O announced Thursday the tentative merger of the 241,000member Paperworkers and the 124,000-member Oil, Chemical and Atomic Workers into the United Paperworkers, Energy and Chemical Workers.)

 Establishing new categories of union membership at nonunion workplaces. By offering benefits ch as supplemental medical or life insurance, job-training assistance or other inducements, unions could set up low-cost membership to "introduce nonunion workers to the benefits provided by union rep-

 Setting up new mechanisms to stop costly battles between unions competing to organize the same group of workers. More than 10 unions, for instance, are campaigning to represent Ohio public em-

• Experimenting with new forms of collective bargaining. Workers often do not want traditional "adversarial" bargaining and formal employment contracts, the report said. Unions could therefore in stead provide "advocacy for individuals" and could "negotiate minimum guarantees that will serve as a floor for individual bargain-ing." Such approaches are used by unions representing musicians and

 Expanding union use of electronic media to combat the "near invisibility" of unions on televi-

#### St. Vincent Official Resigns The Associated Press

KINGSTOWN, St. Vincent The governor general of St. Vincent and the Grenadines, Sir Sydney Gun-Munro, has resigned, it was announced by the office of Prime Minister James Mitchell, Joseph Lambert Eustace, a retired schoolteacher, has been named to succee

#### DIAMONDS



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Professor József Bognár, Director, Institute of World Economics of the Hungarian Academy of Sciences Foreign Trade

Mr. István Török, Secretary of State for Foreign Trade The Five Year Plan

Dr. János Hoás, Secretary of State, National Planning Board Afternoon Address Dr. Armand Hammer, Chairman and Chief Executive Officer,

Occidental Petroleum Corporation Investment Incentives and Tax Free Zones

Dr. Péter Medgyessy, Deputy Minister of Finance

Mr. Såndor Demosåk, General Mariager, Hungarian Foreign Trading Bank 

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Mr. Gobriel Eichler, Vice President and General Manager, Bank of America N.T., Vienna Industrial Outlook

Mr. Ferenc Horváth, Secretary of State for Industry Panel of Hungarian Industrialists Afternoon Address

Professor Richard Portes, Director, Centre for Economic Policy Research, Landon

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## MEMORIAL NOTICE man mark.

Mrs. Catherine LEYTIN BESTERMAN A memorial service will be held on Feb. 28, 1985 at 11 a.m., at the church of Norre-Dame-des-Douleurs, Rue Washington, 1050 Brussels, Belgium.

The reversal on the MX issue indicated that Mr. Hawke misread the depth of anti-nuclear sentiment in his own party. The public bicker- Australian dollar has dropped 14 movement percent, to about 71 cents to the ing that resulted, commentators U.S. dollar. The Australian dollar cut and ran may not have been has also declined by nearly 10 per- wise," Mr. Mackerras said.

Japanese yen and the West Ger-Other factors partly explain the recent weakness in the local curren- lia," Mr. Peacock said. "He caved cy: a worsening trade position, the in to the left."

By Steve Lohr

New York Times Service

SYDNEY — Prime Minister is authority, raising questions about his ability to cooperate

say, has undermined the prime high government budget deficit, and signs of a resurgence in industrial disputes. Bob Hawke appears to have suffered a significant loss of public support over his reversal of an ear-

lier pledge to Washington to allow needed to make Australia more said Friday in an editorial, "reflects a global loss of confidence. It added: "The MX missile crisis A Morgan-Gallup poll published may be losing control over the Ladrew attention to Australia and bor Party has particularly worried cast doubt on the political strength the business world. Mr. Hawke, 55.

A Morgan-Gallup poll published may be losing control over the Ladrew attention to Australia and bor Party has particularly worried cast doubt on the political strength and stability of the Hawke govern-

elected in March 1983, support for his Labor government fell below on the unusual course for a Labor Mr. Mr. Hawke's retreat on the MX missile test has been seen as a victory for the growing anti-nuclear movement in Australia. In the general election in December, the new Nuclear Disarmament Party won 10 percent of the vote. The party called for the withdrawal of Aus-The prime minister and the trea- tralia from the ANZUS treaty with surer. Paul Keating are the principal advocates of these policies in the government and in the Labor Party's right-leaning faction.

The strong opposition to Mr.

Harden existing are the principal action.

New Zealand and the United States, the closing of all American military installations in Australia, a ban on visits by nuclear ships and warplanes, and a ban on the mining and granting of urangum.

and exporting of uranium. MX test came from the left, and his reversal was a show of strength by of the vote. They have a similar the left. Business leaders say they anti-nuclear platform but are not a Hawke personally and to his au- are concerned that the left may single-issue party.

"Hawke has always had the view on economic policy.

"The danger is that the free-market philosophy pushed by Hawke Australian politics," said Peter that the disarmament movement Internationally, the effect of the and Keating will be under greater Garrett, 31, a rock star who is the Australian reversal was magnified pressure," said Stuart A. Fowler, a principal spokesman of the Nucleing Corp., the nation's largest pri- run across the political spectrum. There's no doubt of that now, after

The increased uncertainty about the MX issue."
the economy after the MX shift has Some political analysts question been registered in the foreign ex- whether Mr. Hawke's turnabout change markets. Since the begin- was an indication of the main-ning of the mouth, the value of the stream strength of the anti-nuclear "The speed with which Hawke

cent against the British pound, the Andrew Peacock, leader of the opposition Liberal Party, struck the same theme Friday. "Hawke didn't fight for Austra-

By James M. Markham
New York Times Service BONN — Foreign Minister Hans-Dietrich Genscher has stepped down as chairman of the Free Democratic Party, making way for an untested politician who faces the task of reviving the fortimes of the party which is part of the governing coalition.

At a party convention in Saarbrücken on Saturday. Mr. Genscher, 57, who has led the small party for more than 10 years, pledged support for his handpicked successor, Martin Bangemann, the minister for economic affairs.

Mr. Bangemann, 50, who entered the West German government after losing his seat in the consultative European Parliament last year, was unopposed.

Facing three critical state elections next month and in May, the Free Democrats are seen as fighting for their political survival.

The party, which brought down Social Democratic-led coalition in 1982 by throwing its parliamentary support to the conservative Christian Democrats, has been displaced by the leftist Greens as West Germany's third political force.

The Free Democrats are now represented in only five of the 11 state legislatures, and public opinion polls show the party hovering below the 5 percent of the vote needed to gain legislative represen-



Hans-Dietrich Genscher, right, giving a symbolic bell to his successor as chairman of the Free Democratic Party, Martin Bangemann, during party meeting in Saarbrücken.

British Troops Kill 3 IRA Guerrillas in Ambush

chances.

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(Continued From Back Page)

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Mr. Genscher, facing a revolt he intends to stay on in the governfrom the party's disaffected rank ment as foreign minister and depu-and file, said last May that he ty chancellor.

party, but concern to preserve semblance of unity appeared to have rallied delegates around him on Saturday. He received the support of 352 of the 395 delegates.

Once affiliated with the left wing of the Free Democratic Party, Mr. | 1 Bangemann was sent to the European Parliament in Strasbourg after urging a break with the Social Democrats, then led by Chancellor Helmut Schmidt, well before the 1982 split. He now supports the Free Democrats' alliance with Chancellor Helmut Kohl's Christian Democrats.

But Mr. Bangemann's lack of leadership experience and a cultivated image as a maverick have raised doubts about his capacity to inject hope into Free Democratic ranks.

After his election on Saturday, he pledged to pursue an active dia-logue within the badly divided par-

Mr. Bangemann has already had unfriendly brushes with his predecessor in the economic affairs post, Otto Lambsdorff, who was forced to resign after being indicted on charges of taking bribes. Mr. Genscher's withdrawal from

the party chairmanship leaves open the relationship between him, Mr. Bangemann and Mr. Kohl in the center-right coalition.

The foreign minister and the chancellor are close friends, but some political analysts foresee an would step down as chairman and make way for a younger leader. But has aroused little excitement in the Genscher after Saturday's shift. inevitable loss of influence for Mr.

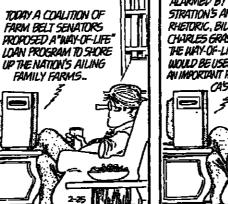
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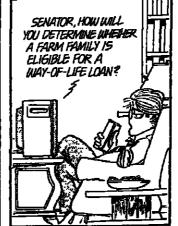
Republican politicians have ac-

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## DOONESBURY









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By M.A. Fai

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## U.S. Aide's Trip Hints at Softening on Chile hope to influence the Chileans. If anything Mr. trols and closed six magazines that were consid-

By Lydia Chavez New York Times Service

state for inter-American affairs, suggests that the Reagan administration may be taking a expressed its "concern" over General Pinochet's ers, while reports on government policies and programs are available in half a dozen daily the Reagan administration may be taking a crackdown on his critics. more conciliatory stance after months of in- To back this up, the United States abstained creasingly critical comments about the govern-recently on an Inter-American Development ment of President Augusto Pinochet.

An official Chilean communique said that discussions with the Americans "developed in the climate of great cordiality, understanding and reciprocal interest." Even the police band added its bit, offering a short rendition of "Yankee Doodle" at the changing of the guard at the presidential palace.

Mr. Motley also seemed pleased. "The destiny of Chile is in Chilean hands - in good hands," he said as he departed.

One U.S. diplomat said of Mr. Motley: "I think he established rapport that wasn't there. It reinforced our policy of being neutral."

Only three months ago, the same diplomat said that United States criticism was bound to in the country's development.

the next four years.

The new U.S. interest, the diplomats said, arises from concern that hard-line tactics may vation was hardly comforting. Until early last But it is unclear how the United States could Then General Pinochet clamped on new con-

Motley's visit confused the picture rather than ered to be overly critical of the government. SANTIAGO — Last week's visit to Chile by reinforcing a clear policy line. In the last six Opposition leaders now complain of having Langhorne A. Motley, assistant secretary of months, the State Department has repeatedly virtually no way to communicate with support

#### **NEWS ANALYSIS**

Bank loan for Chile, making clear its unhappiness with Chile's human rights record.

However, future loans from international lending agencies apparently were not discussed with General Pinochet and other government officials. There was a brief mention of the current ban on selling arms to Chile, but the thrust of this discussion has not been disclosed.

Backing away from the State Department's previous expressions of concern, Mr. Motley spoke diplomatically of Washington's interest

When a local reporter asked him for his Diplomats here indicated that a policy debate thoughts about the Pinochet government's press was under way in the Reagan administration censorship. Mr. Motley referred to the size of between officials who argue for stronger action the crowd at his airport press conference. "I've and those who favor triendly persuasion to try been in a lot of countries where you couldn't to keep General Pinochet to his own timetable of stepping down in 1989. At the very least, an official said, Chile will get increased attention in fundamental step in the transition to democra-

unwittingly strengthen and radicalize the left. winter, the press was nearly free of censorship. too slow and others say it is going too fast.

newspapers and the president can be seen nightly on the television news.

Diplomats and other officials here suggested that the U.S. change in tactics may make sense, because criticism has had little influence over the years on the military ruler. General Pinochet has usually bridled at criticism, particularly from foreign sources, they say.

Moreover, few, if any, visitors from the United States come away with the impression that the president is likely to be drummed out of office soon. Even Chilean opposition leaders worry that he may be planning to stay beyond

His military backing appears strong. The op-position is divided, "I don't see a fragility in the government structure," an official said, "or inordinate armed or unarmed force that would throw Pinochet out of office in the next couple of years'

Therefore, some argue, it makes sense to improve relations in the hope of encouraging a peaceful transition as opposed to a conflict between the government and the opposition.

At his press conference, Mr. Motley tried to

brush off a reporter's suggestion that General Pinochet's refusal to move toward democracy might provoke a "polarization" of political forces. The dilemma of democracy, he said, is that "people on the one hand say that it is going "That is for the Chileans to decide," he said.

#### housing complex said they had heard the three shout, "Don't ambush, according to police. acted angrily to Saturday's am-The troops, members of a uni-Army, which is fighting to end Britshoot!" and offer to surrender. formed patrol, shot the three before ish rule in Northern Ireland. bush, accusing the security forces The deaths raised to eight the

have killed three Irish republican ambush, he said. guerrillas in Northern Ireland in an

dawn Saturday in a field on the outskirts of Strabane near the border with the Irish republic, a police

Three rifles and two rocket former.

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ciency syndrome, or AIDS, and tory's "Blood and Gold Club," a

launchers, none of them fired, were BELFAST - British troops recovered from the scene of the had gunshot wounds to the head, in

Police said the dead men belonged to the Irish Republican

On Sunday, Irish republican guerrillas said that they had killed a man in Londonderry on Saturday night because he was a police in-

Mr. Brooks-Baker said the direc-

birth or wealth, would exclude

"We are worried that AIDS may AIDS victims, is spread through sexual be a simple infection, even if "It could be that some people, and blood transfusions.

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Police later found the man, who Fein. These men could have been the city's Bogside district. He died soon after.

Roman Catholic politicians reof killing the three in cold blood. This is a continuation of the

police shoot-to-kill policy," said Martin McGuinness, a local leader of the IRA's political wing, Sinn

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cused the security forces of shooting to kill on several occasions in the past two years. U.K. Marriage List Excludes AIDS Victims In the last such incident, undercover troops killed two armed men

captured alive."

LONDON — The publishers of Burke's Peerage, the directory of the British nobility, are to exclude Harold Brooks-Baker.

indication of a genetic defect," said are more likely to get it than others, as is the case with rheumatic diseases. We are not taking any Fifty-five people in Britain have marriage guide based on noble died of AIDS, which destroys the body's defense against disease and

#### U.S. Ending Intensified Mexican Border Searches trafficking and lamented the disapcalled upon to investigate the ab-

By David Hoffman

Washington Post Service
WASHINGTON — The Reagan
administration has begun "winding down" intensified searches along the Mexican border that have caused long delays at entry points, according to administration offi-

However, the officials said Friday that Washington was still "not at all satisfied" with Mexico's cooperation in the case of a kidnapped U.S. Drug Enforcement Administration agent, the incident that touched off the border search-

President Ronald Reagan discussed the border searches and the abduction of Enrique Camarena Polish Unions Reject Price Increases Madrid, a White House official said. The 15-minute call was placed by President de la Madrid, the offi-

cial said. clined to provide further details of

Salazar by telephone Friday with President Reagan expressed con-

the conversation.

pearance" of Mr. Camarena, the duction in Guadalajara may have Los Angeles Times reported from been involved in it, administration officials say.

The White House spokesman, Mexico City.] Earlier, President Reagan sent a personal letter to Mr. de la Madrid

Larry Speakes, said Friday, "We would like to have more cooperaseeking better cooperation in the tion, and the only tangible evidence investigation of the Feb. 7 kidnapping, the officials said.

The administration is "kind of of cooperation would be some progress in solving the case." ticked off" that Mexican authori-

The State Department has exties have not been more cooperapressed concern about six other tive, a second administration offi-Americans missing and believed kidnapped in Mexico.

directed economy.

economic hardship there and an expression of "deep concern" delivered last week to Kenneth W Dam, a U.S. deputy secretary of state, by Ambassador Jorge Espinosa de los Reyes. The U.S. ambassador to Mexico.

John A. Gavin, returned to Washington for talks last week and reportedly recommended that the intensified searches be relaxed.

A Customs Service spokesman said Friday that waits at the border had been reduced to 90 minutes, compared with delays of up to eight hours the weekend before.

## U.S. officials are concerned that The stepped-up inspections at Mexican police organization the border provoked complaints of

better management of the centrally

By Robert Gillette

Los Angeles Times Service WARSAW -- Poland's official

trade unions have categorically rejected the government's proposed cern for Mr. Camarena's safety and consumer price increases, saying that of other Americans in Mexico, that they would serve only to lower according to the official, who de- the country's standard of living.

The trade union movement, which the government hopes will [Mr. de la Madrid's office said take the place of the outlawed Soli-

The announced concentration of price hikes will lead to a decrease in the standard of living for work-

ing people which we cannot ap-prove," said Romauld Sosnowski, vice chairman of the official unions' newly formed National Coordinating Committee. Portions of the statement by the

official unions were broadcast on the state television network's main evening news and carried by the government press agency, PAP. Solidarity sources said the prom-

inent treatment given to the criti-cism by the official unions made it seem likely that the government's own sampling of public opinion, and the prospect of work stop-pages, might lead it to postpone or revise the price increases. The government-sanctioned unions apparretreat by the government and gain this year.

credibility with the public, these sources said.

Lech Walesa has joined other A government communique inleaders of Solidarity in calling for a 15-minute work stoppage across the nation Thursday to protest the January outlined three sets of increases and called for a month of "social consultations" in work proposed increases. Officials of the official unions, while openly contemptuous of Solidarity, expressed similarly dim views of the price places and in the news media to choose the one least objectionable to the public. They ranged from sharp hikes combined with a lifting increases at a meeting in Warsaw reported on nationwide television. of rationing on most food items except meat to smaller increases and continued rationing.

Overall, the government foresees a 12-percent to 13-percent rise in retail prices but a jump this spring of 20 percent to 30 percent in the cost of natural gas, electricity and heating coal. Rent, postal rates and transportation costs will also rise.

Since the 1950s, price increases to shore up a stumbling economy have been a common cause of civil unrest. Last year, however, the government of General Wojciech Jaruzelski managed to introduce increases averaging 10 percent without major difficulty after an unusual period of public debate.

Solidarity, speaking through its many underground publications and at least one clandestine radio broadcasi, has for weeks deently hope to reap credit for any nounced the proposed increases

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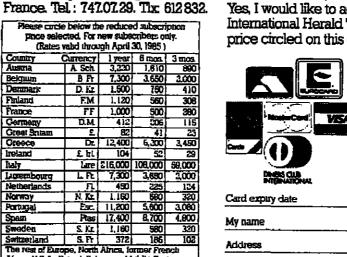
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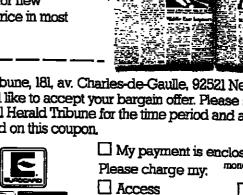
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in an ambush near the town of conveyed in unusual ways, but an because of their genetic makeup, Derry, near Strabane, at the end of

In Banbridge, 80 miles (128 kilometers) from Strabane, hundreds of mourners attended the funeral of a Catholic policeman who had been shot by republican guerrillas is spread through sexual contact Thursday while seated at the wheel

of a school bus.

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## In CBS Suit, Westmoreland Saw 'No-Win Situation'

By M.A. Farber
New York Times Service
NEW YORK — General William C. Westmoreland's decision to settle his libel lawsuit against CBS last week was prompted, according that, however right he was, he was

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ife mar

in a "no-win situation."

The general knew from pretrial depositions how witnesses were earlie likely to testify. Nevertheless, his friends said, General Westmore. land was so shaken by the willing moreland had received neither their very appearance on the wilness of his former intelligence chief money nor an apology and that the ness stand undermined him. in Vietnam to "break the old West Point tie" and take the witness stand against him that he was open to a proposed agreement that bore a close resemblance to an offer

nine months before the trial began, and never intended to assert, and said, as did last week's joint statement, that both sides believed their patriotic or disloyal in performing positions had been "placed before the public," that the television network recognized General West- made after the CBS program was moreland's service to his country, aired, it would have satisfied me," and the general respected the rights the 70-year-old general declared at of journalists to present views a press conference last Monday, "contrary to his own."

arose from a 1982 CBS documentary, "The Uncounted Enemy: A Vietnam Deception." It charged a conspiracy by the general's com-mand in 1967 to show progress in the war by underestimating enemy

strength. The 1984 statement said that General Westmoreland "believes that the broadcast was prejudicial in concept and execution." The agreement reached last week does not. The 1984 proposal said that CBS News "stands by the accuracy and fairness of its broadcast." In the final agreement, this language was reserved for a separate state-

Although the settlement seemed

resolve a case that eventually required 18 weeks of trial and cost the program.

"If the jury had found against the litigants millions of dollars.

On Monday, when the end came, both sides laid claim to victory, but

tion over damaging testimony of other with champagne and diet of the trauma of defeat would have been too much his former aides and his feeling soda, General Westmoreland's That was the fulcrum concern." camp was bitterly divided over tained a better outcome - either

CBS stressed that General West-

network stood by its documentary.

The general, who commanded
the U.S. forces in Victnam from 1964 to 1968, underscored a pasmade by CBS a year ago.

A proposal in February 1984, and faithful service to his country does not believe," that he "was un- testifying," General Westmoreland his duties as he saw them."

"If that statement had been standing beside Dan M. Burt, his General Westmoreland's suit chief attorney. Indeed, General Westmoreland said, had that statement been issued at any time since the broadcast on Jan. 23, 1982, "it would have ended the episode."

To prevail in his suit, the general had to prove not only that the case. Each day, his expenses broadcast was false but also that CBS knew it was false or acted with reckless disregard for its truth or falsity. The first issue was called the "truth" issue; the second, the "state of mind" issue.

In recent weeks, as CBS put on a an award.

while CBS officials and their law- was one of Mr. Burt's closest advis-

whether the general could have ob-tained a better outcome — either foundly scared" of the testimony earlier from CBS, or, later, from the for CBS this month by his former aides, not so much because of what they would tell the jury but because

General Westmoreland's former intelligence chief, Major General Joseph A. McChristian, testified Feb. 6 that General Westmoreland sage in the joint statement that said had acted improperly and for "po-the network respected his "long litical" reasons on one occasion. "It was a perplexing thing to me to see someone like McChristian

> acknowledged last week. He told friends that the trial had come to "look like a no-win situation." Both General Westmoreland and General McChristian are re-

tired from the military. Mr. Burt, who is president of the conservative. Washington-based Capital Legal Foundation, which supported the general's suit, shared his client's growing pessimism and was under other pressures as well. Having spent more than \$3 million. Having spent more than \$3 million, named George Crile, the producer he was \$500,000 in debt on the of the documentary; Mike Wallace,

Meanwhile, CBS had become increasingly confident of winning the "state of mind" element of a jury verdict, making it impossible for ment were made in October 1982, proposed making a statement in General Westmoreland to receive when CRS asked its local counsel in which it said that it continued to General Westmoreland to receive when CBS asked its local counsel in

series of military witnesses, the But lawyers for the network were over with a nephew of General ness of the documentary but did general had become overwhelming- concerned about the public relaly concerned with losing on the tions impact of losing on the "truth" issue. He worried that the "truth" issue — as Time magazine jury would be unable to distinguish had suffered from the loss on that what had actually happened in issue in the libel suit brought by sudden, there lies behind it a three- Vietnam in 1967 from what some former Defense Minister Ariel year-old story of failed efforts to witnesses simply recalled they had Sharon of Israel.

him. This, he couldn't Besides, general counsel. CBS simply had to respond to his "I said, 'Give to

Following a controversy over no." "The Uncounted Enemy" in the months after its broadcast, CBS

manded a published apology, a die ground could not be found. "full retraction" on the air that met his approval and "was not less than 45 minutes in duration," and some He also sought access to a CBS

The report criticized some aspects of the documentary's preparation. On Sept. 13, 1982, General West-moreland, who lives in South Carolina, filed suit there. "There is no way left," he said, "for me to clear my name, my honor and the honor of the strict of the strict

of the military." In addition to CBS, the suit its narrator, and Samuel A. Adams, a former Central Intelligence Agency analyst who was a paid consultant for the broadcast.

The first overtures toward settle-November 1982, CBS won a motion to move the case from South Carolina to New York.

Around the same time, Paul

"If Westmoreland was ready to Thompson, a retired general who drop the suit on the right terms, it had been an editor at Reader's Diwas in some ways better than wings, tried to mediate for General ning a jury verdict," said a CBS lawyer who asked not to be identified. "Westmoreland could always said, he met in November 1982 attack a verdict that went against with George Vradenburg 3d, CBS's

I said. Give us an apology and offer. It couldn't be seen as trying lots of money — lots of money to pursue an old man and drive a stake in his heart."

Stake in his heart. "

Stake in his heart."

Stake in his heart."

Frank Stanton, a former CBS proposed airing a 45-minute follow-up discussion program, with an additional 15 minutes for General Westmoreland insisted on an apology, a monetary payment and free air time, without a rebuttal by CBS. president also tried to arrange a views. The general, however, de-

Another attempt to settle the case was made in the fall of 1982. General Maxwell D. Taylor, who is also retired, was approached by Roswell L. Gilpatric, a CBS board internal investigation of "The Un-counted Enemy" conducted by a senior producer. Burton Benjamin.

Westmoreland, coupled with a statement by CBS that it never intended to impugn the general's pa-

> CBS to release the Benjamin report. Just before that approval, the chief lawyer for the network on the case, David Boies, let Mr. Burt know that CBS would never settle at a point when something embarrassing to it had just occurred.

In February 1984, in an extension of Mr. Gilpatric's effort, CBS South Carolina to talk the matter stand by the "accuracy and fair-Westmoreland's who is a lawyer not intend to question either the The talks got nowhere, although general's patriotism or his "loyalty they were briefly resumed when, in to this country or to the presidents he served for so many years."

> The statement contained some language and ideas that were nearly



Principal figures in the CBS libel case were: Clockwise from left, above, Mike Wallace, George Crile, Samuel A. Adams, General William C. Westmoreland, retired, and Major General Joseph A.

agreed upon last week, but it was rejected. Mr. Burt. according to CBS legal sources, objected at that time to any reference by CBS that it supported the broadcast.

In the summer of 1984, Judge Leval appointed a mediator, Stephen E. Kaufman, to try to produce a settlement that might include a broadcast on CBS by General Westmoreland that would

CBS and the general are believed to have been receptive to the idea of its prospects on the "state of mind" the program, but Mr. Burt contin- if not the "truth" issue, Judge Leval ued to press for an apology and informed the lawyers that Mr. Burt

Oct. 9 — and again in late November, when Mr. Burt was saying pub"preponderance" of the evidence. ly than "a bear coming down Fifth vote individually on "truth" and Avenue in a pink tutu with a recfer" — he and CBS exchanged

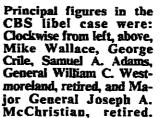
proposals for resolving the case. The network's statement again contained references to the general's loyalty, and CBS indicated that Still, the lawyer said, Mr. Boies told it might pay \$500,000 toward Mr. Mr. Burt that he was amenable to Burt's legal fees. But Mr. Burt was waiving a jury verdict and letting said to have demanded a seven-figure sum, perhaps as much as \$5 declined.

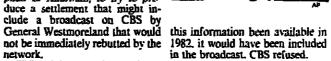
"The insurmountable thing was McChristian's testimony and imaretraction or apology," a CBS mediately following the start of the lawyer said. "Money was never an cross-examination of another forissue with either side except as a

Before the Christmas recess, Mr. Mr. Vradenburg. prised Mr. Kyprianou with their Burt and Mr. Boies met in a jury harsh criticism of his performance room. For the first time, Mr. Burt told the CBS counsel that he in New York. It is assumed in Cy-said he was prepared to settle with-was still interested in settling. He case like this but a jury — well it

meeting, which followed separate General Westmoreland had "hon-also promised, in effect, not to renecotations conducted by Mr. Pé-estly and accurately" reported enevive his pretrial attacks on CBS my life. You weigh them, You







Last week, with CBS buoyed by would have to prove his case by Just before the trial started on "clear and convincing" evidence, licly that a settlement was less like- In addition, he said, the jury would

> "state of mind." "Even if we lost on the truth issue," a CBS lawyer speculated, "the headline on the day of the verdict would read: 'CBS Wins.'

> On Feb. 13, soon after General mer Westmoreland aide, Colonel Gains Hawkins, Mr. Burt called





this information been available in Vradenburg consulted Mr. Boies and on Feb. 16 called Mr. Burt.

According to Mr. Burt, Mr. Vrandenburg said, "You know, we aren't that far apart." But the CBS lawyer is said to have told Mr. Burt that his proposal was unacceptable. Mr. Vradenburg went back to the statement CBS had offered in February 1984, modified it so that the' phrase about CBS standing by thedocumentary would appear only in a separate statement by the network, and sent a copy to Mr. Burt. according to a CBS lawyer.

On Feb. 17, after some changes -the word "faithful" was inserted to describe General Westmoreland's service to his country and the word "distinguished" was used to describe CBS's journalistic tradition — senior CBS officials saw the ioint statement at Mr. Boies's law office. They were jubilant.

General Westmoreland, who was aware that an agreement was under discussion, was in Garrison, New York, on Feb. 16. Mr. Burt read him the joint statement by phone.

Political analysts say they as rea de Cuellar with each of them. my troop strength in 1967 and, had regarding the documentary. Mr. make them And you forget them."

#### Cypriot Leader Rejects Assembly's Demand to Accept UN Pact in a long and angry statement position. All were present, and all sume he acted because he felt un-

By Henry Kamm

New York Times Service NICOSIA - President Spyros Kyprianou of Cyprus has rejected a demand by parliament that he either accept a United Nations-sponsored draft agreement with Turkish ish Cypriots, and the secretary-gen-Cypriots or order new presidential eral.

leading parties, the conservative the agreement, he must call new did not specify. He said he would Democratic Rally and the Commu- presidential elections. Under the announce them next week. nists, combined to censure Mr. Ky- constitution, the president is electprianou by a vote of 23-12.

a settlement of the Cyprus dispute term runs until 1988.

The resolution demanded that if tion created a crisis that obliged ry of calling on them for political In parliament Friday, the two Mr. Kyprianou refused to accept him to make decisions, which he ends.

ed for a five-year term, and his conflict could render Cyprus ungo- He renounced their support in De-They demanded that the presi-tenure is not affected by parlia-vernable. In the roll-call voting Fricember, before the New York

But Mr. Kyprianou said he rec- nists and conservatives have affiliognized that the parliamentary ac- ated labor unions and have a histo-

Mr. Kyprianou was elected with the support of the Communists,

prepared by the UN secretary-general, Javier Pérez de Cuellar. This
would reverse Mr. Kyprianou's rewould reverse Mr. Kyprianou's recused the extreme left and right of
cused the extreme left and right of would reverse Mr. Kyprianou's rejection of the document last month, when he met in New York with each of trying "a political negotiations and the Socialists 3. Both Community and of Glafkos Clerides and the Socialists 3. Both Community and Socialists 3. Both Commu

> But the two principal parties surprus that the failure of the talks was out money. caused by the two leaders' different



When they met on Feb. 15, Mr.

"I listened to it, and I thought it made sense," the general said. "I sent the CBS lawyer a suggested could have been happenstance, a He wanted CBS to say it had joint statement that resembled his flip of the coin. I had to decideconceptions of the nature of the learned as a result of the case that proposal just before Christmas. He whether to light or compromise.



## The Mitsui Group sponsors "Close-up of Japan LONDON 1985".

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Ozawa also treated the crowd to classical Japanese pieces played on these instruments, enthralling both audience and critics alike.

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## The Name Is 'Star Wars'

President Reagan has a wish about "star wars," the new missile defense system to which he gave his energetic blessing two years ago without any public debate whatsoever. "I wish whoever coined that phrase would take it back again because it gives a false impression of what it is we're talking about." The administration is obsessed with the search for a name that can make this radical weapons program palatable. The problem with "star wars," however, is not semantic. It is conceptual.

The president and his aides have been selling "star wars" on four different, incompatible grounds: (1) It is the only moral defense in the nuclear age. (2) It is only research for our grandchildren. (3) It will soon be useful, indeed indispensable, even if imperfect. (4) It is a proven stimulus to arms control.

All four arguments fail, even the moral one, because a "star wars" defense becomes moral only when it becomes practical. Yet merely pursuing it looks to be highly dangerous The moral way to prevent nuclear war.

Mr. Reagan offered one noble rationale when he sprang "star wars" in March 1983. He said he wanted to rise above the ugly reality of defending the United States by threatening the existence of all life on Earth. He was therefore ordering the preparation of a foreseeable missile defense that would make America and its allies invulnerable, eventually rendering all nuclear weapons useless and dispensable.

Mr. Reagan saw even then that any defense, if paired with an offense, would be highly provocative to the Soviet Union, leaving it alone in danger of devastation. But Americans are not aggressive, he said. Besides, once the defense is completed, in 20 or 30 years, America would probably offer it to the Russians if

they agreed to scrap most nuclear weapons. When the experts caught their breath, they proved even to the Pentagon's satisfaction that a leakproof, Berlin-to-Tokyo, all-cities defense is impossible. Even if it became possible one day, it would be so horrendously expensive that the Russians could easily damage, destroy or edude the defense at a fraction of the cost. Don't get excited, it's just research.

So the Reagan loyalists who found it impossible to support the vision of an all-cities defense retreated to a new line. They concede that it is a pipe dream to think that there will ever be a better defense for New York than the certain threat of destroying Moscow, and vice versa. And they are satisfied that this certainty will last into their grandchildren's lifetimes. But what is wrong, they ask, with a lively search for alternatives?

There is nothing wrong with modest research that can discourage the Russians from one day finding profit in renouncing the treaty against missile defense; indeed, the treaty envisions such research. But no program proclaimed with trumpets from the Oval Office, described as vital and funded with an initial budget of \$30 billion, will be "research" in Soviet eyes. The mere pursuit of such vigorous planning and testing has to make the Kremlin fear a defense that might actually withstand a small attack. The pursuit of this research, in short, would provoke the Russians to pursue their own provocative defense and to rapidly expand their offense to guarantee penetration of any American shield.

Well, not just research; we do need it now. Not just research is what another wing of the administration argues. These officials do not

doubt that deterrence works, either. In fact they say they need "star wars" to preserve deterrence. What if the Russians keep building those big and accurate missiles, they ask, one day gaining the capacity to use only some of their missiles to knock out all U.S. land missiles and command centers in a single attack?

America would still have all its missile submarines, but they are hard to communicate with, it is said. There are bombers and cruise missiles galore, but they are slow and most effective against cities. No Russian leader would be crazy enough to order such a surprise attack, these strategists concede, but a Soviet leader might threaten one as a way of trying to exact impossible demands. A wobbly future president might capitulate to the blackmail, believing that his only alternative was to attack Moscow — thus also dooming New York.

That is the farfetched and unexamined theory that seems to be really driving "star wars."
It is the old, discredited "window of vulnerability" argument. "Star wars" is at best a scheme to defend land missiles, not people. It may also be an unadmitted scheme to make America the one that can threaten a surprise attack and benefit from "nuclear blackmail."

Well, what is wrong with that? One thing wrong is the calculation that the Russians could not keep up with America's defense technology. They surely would, at all costs, and would also build a sure-to-overwhelm offense. And that would drive America into an even more panicky weapons buildup.

Some defense can conceivably bolster deterrence, but only after offenses are shrunken and frozen. And that requires coordinating with the Russians at the outset, not after they start building their own "star wars." Meanwhile, there are vastly cheaper and less provocative ways to allay anxiety about vulnerable land missiles. Their warheads could be dispersed among more launchers, and launchers could be made mobile, impossible to find.

Oh, really, it's just a bargaining chip after all. When the practical arguments start sounding overwhelming, the entire Reagan team reunites on a fourth justification: arms control. Americans may be unimpressed but the Russians are mightily impressed. Why else did they come back to the bargaining table? Why else do they insist that "star wars" be included in the talks that resume next month?

If that is a serious question, there is a deadly serious answer. The Russians are indeed alarmed at being forced into a ruinously expensive new arms competition that they know will leave neither side safer and probably make the world riskier. They are scared of "star wars" for the same reasons that Americans should be. They must be desperate to learn whether it can be stopped at a tolerable price.

Can it? Mr. Reagan says no, "star wars" is not negotiable. He is committed, no matter what. But if it is unable to defend cities, unneeded for defending missiles, too grandiose to be just research and not a bargaining chip, what is it? Whatever he may call it, it is still "star wars" — the most farfetched, least considered venture of the nuclear age.

- THE NEW YORK TIMES.

## **Imperial and Bellicose**

FROM OUR FEB. 25 PAGES, 75 AND 50 YEARS AGO

INTERNATIONAL HERALD TRIBUNE

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Executive Editor

The imperial presidency is back. President Reagan will agree to live with a troublesome Nicaragua only if its leftist rulers will surrender. If they do not, he wants a U.S.-backed proxy army to overthrow them. If Congress has passed laws that bar this, it is badly informed and those laws are only "proposals."

One thing to be said for Mr. Reagan's blunt

words is that it is good to be done with the administration's palayer about supporting the Contadora compromise, whereby Nicaragua could live in peace if it bars foreign bases, weapons and advisers. Likewise abandoned is the pretense that Nicaragua's principal vice is smuggling comradely arms to Salvadoran guerrillas. At his news conference on Thursday the president disposed of all this foliage by not even referring to it. Asked if he was calling for the overthrow of the Sandinists, he could hardly have been more blunt: "Not if the present government would turn around and say - all right - if they'd say 'uncle.' '

As remarkable as his threat was Mr. Reagan's justification for it. He castigated Nicaragua for its lack of freedoms, its betrayal of democratic promises made in 1979 to the Organization of American States. All that is deplorable, but does not threaten U.S. security. Yet Mr. Reagan claims a license under the OAS charter to do exactly what that treaty forbids — to use force or the threat of force until a sovereign neighbor "says 'uncle."

1910: Dalai Lama Flees the Chinese

CALCUTTA - After fleeing from Lhasa, the

Dalai Lama travelled night and day, with the

Chinese in pursuit. At one of the various

narrow bridges which had to be crossed, the

Dalai Lama left his escort engaging the pursu-

ers, and he was thus enabled to gain time. He

was followed as far as the borders of Sikkim. It

is stated that he intends seeking an interview

with Lord Minto. Two Tibetan envoys are

here. They state that 2,000 Chinese have at-

tacked the monasteries and killed many lamas

in eastern Tibet. The envoys have cabled to the

Emperor of China begging him to remove their

grievances, but have received no reply. The

object of their visit here is to call the attention

of the Indian Government to the intrusion, in

the hope that Great Britain and India will

request China to cease her operations.

PHILIP M. FOISIE WALTER WELLS ROBERT K. McCABE SAMUEL ABT CARL GEWIRTZ

The bellicose message is aimed at Congress, which voted last year to end CIA funding of the "contra" war against Nicaragua. He implies that legislators who oppose funding are misguided or craven. But it is not craven to hold the United States to the same standards by which it judges Soviet misdeeds. It is not misguided to wonder why 15,000 rebels have so failed to win support within Nicaragua. In four years they have not won and held a single town or even unified their command.

There is no way to reconcile these failures with Mr. Reagan's portrayal of a country sub-dued by alien invaders — as if Nicaragua were Afghanistan. Nor do they square with Secretary of State George Shultz's dramatic assertion that Nicaragua is behind the Iron Curtain. What holds the Soviet empire together is the Red Army, enforcer of the Brezhnev Doctrine. Say what you will about the Sandinists, it is not the Red Army that keeps them in power.

The Reagan administration deals with these awkward questions by flourishing the presi-dent's electoral mandate as if it were a magic cloak. But his is not the only mandate. Americans still elect a Congress, too, and the one they elected in November is not much different from its predecessor. The 98th Congress said stop, and the 99th is very likely to reaffirm that "proposal." What is unclear is whether the president will finally pay attention.

1935: Paraguay Leaves the League

GENEVA — A telegram announcing Paraguay's withdrawal from the League of Nations

arrived here today [Feb. 24], creating a crisis

which may destroy Geneva's prestige in the Americas and reduce the League to a Europe-

an institution. Recommendations to end the

Gran Chaco War with Bolivia were adopted

here last November, and with the expiration

today of the three-month grace, [economic] sanctions should operate automatically against Paraguay, the recalcitrant member. since Bolivia accepted the League report. The

League's impotence is emphasized by little

Paraguay. According to economic and finan-

cial studies of the League secretariat, it could

not prolong a war 48 hours if the members

took the Covenant seriously and Washington

RENÉ BONDY
ALAIN LECOUR
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FRANÇOIS DESMAISONS
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collaborated in economic pressure.

- THE NEW YORK TIMES.

## The SDI **Means Trouble**

By Stanley Hoffmann

AMBRIDGE, Massachusetts — Rarely has an American strategic revolution been initiated in circumstances as likely to lead to enormous difficulties with the public, the Soviet Union and the allies as "star wars" - President Reagan's Strategic Defense Initiative.

For the public, the main attraction, longingly described by the president, is the eventual return to America's historical invulnerability: the protection of cities from sudden devastation. But most experts believe that such defense is extremely distant and doomed to imperfection. They perceive the SDI mainly as a way to protect land-based missiles.

Once the public realizes this, will it be willing to pay the enormous cost of a dubious program aimed at safeguarding vulnerable missiles at a time when less vulnerable weapons like the Trident-2 submarine can perform exactly the same military functions? Especially if the Russians build defenses to protect the very targets that U.S. missiles are aimed at?

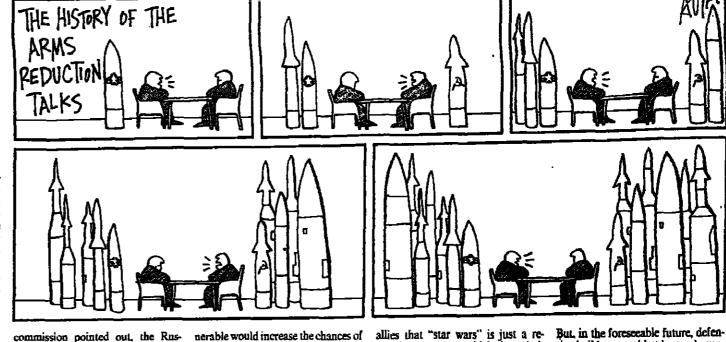
As for the Soviet Union, some American officials appear to believe that it cannot compete in the buildup of effective defenses. Thus, America's search for nuclear superiority would finally succeed and would restore the earlier U.S. ability to compensate for Soviet superiority in conventional warfare. The United States could thus prevent aggression against its allies by its ability to strike Soviet military targets while protecting U.S. missiles from a first strike or retaliation. But how often in the past has Washington been mistaken about the Soviet Union's ability to catch up? Other officials believe that Mos-

cow will follow America's lead to-ward ballistic-missile defenses and that the two sides should thus eventually be able to reach an agreement on reducing offensive nuclear weapons. In the meantime, the buildup of defenses, they say, will contribute to stability by reducing each side's incentive to try to strike the other's orces. But this is a pipe dream.

Just as America has developed new weapons aimed at penetrating or overwhelming every defense the Russians have devised, so the Russians are likely to concentrate on ways to keep U.S. nuclear forces vulnerable - by destroying defensive systems, by multiplying warheads on their missiles or by relying increasingly on cruise rather than ballistic missiles. The Russians, who see the Ameri-

cans adding a defense against ballistic missiles to an enormous offensive program that will soon render vulnerable their land-based missiles - the bulk of their nuclear forces - are unlikely to consent to a drastic reduction of offensive weapons unless the United States agrees to scrap or drastically constrain its defensive program. Since the Soviet arsenal demissiles than America's does, a major effort to restore the invulnerability of that arsenal through defenses would predictably provoke an American counter-effort to render the shield and arsenal impotent through new offensive-weapons developments.

This then is a recipe not for arms control but for endless escalation of the arms race. All of this to make it more difficult for Moscow to destroy American land-based missiles! To do something that, as the Scowcroft



commission pointed out, the Russians have no incentive to try, given the size and capability of the arsenal with which America could retaliate. America's allies do not see what

advantage they could derive from a situation in which the Russians, following the U.S. example, would build defenses to protect land-based missiles and other military targets: The Russians would no longer have much to fear from the Atlantic alliance's threat of first use of nuclear weapons in case of a conventional attack.

The allies thus see in the SDI one more hole in the American nuclear umbrella. The superpowers' success in making their nuclear forces invul-

a conventional war breaking out and destroying Europe. Much of the deterrent power of the French and British nuclear forces, which are currentby undergoing costly expansion de-signed to enable them to to strike Soviet military targets, would be lost. As each superpower continued to

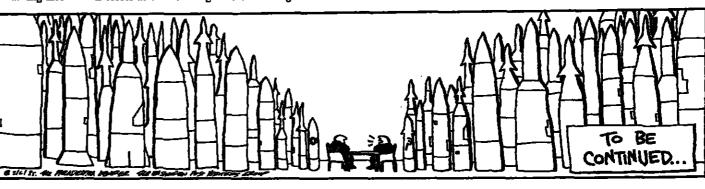
seek ways to make the other's nuclear forces vulnerable. Europe would look with dismay at the destruction of arms control possibilities, the resulting political tensions between the superpowers and the hardening of the division of Europe that would follow. Today a strange diplomatic minuet is being danced. Washington tells the

allies that "star wars" is just a re-search program to which they obviously cannot object. Some officials in the Reagan administration also tell that allies the SDI has been a bargaining chip primarily used to get Moscow back to offensive-weapons negotiations. What will happen when the allies discover that, as Mr. Reagan insists, this is not a bargaining chip? They will feel swindled. Washington will tell them that, after all, they did not oppose "star wars" and it is too late for recriminations.

A perfect defense that renders nu-clear weapons obsolete and replaces a strategy that relies on the threat of mass destruction is a noble dream.

sive buildups would at best only sup-plement deterrence; far from contributing to its stability, they would make it even more uncertain than has the recent development of offensive technologies by both sides. The line between deterrence and provocation would be even more blurred. The spiral of insanity driven by a combination of shortsighted military logic and political illusions would spin more giddily than ever.

The writer is chairman of the Center for European Studies at Harvard University. He contributed this com-



## Look Inside, Look Outside: Nuclear Winter Is Here

AMBRIDGE, Massachusetts -- There have been a number of films in the last two years such as "The Day After," "Testament." "The Road Warrior" and "Threads" — that confront the threat of nuclear war by providing visions of life after the weapons have been detonated. But it occurred to me while watching "Repo Man" (the title refers to the employees of a fraudulent company that "repossesses" cars) that we live in a post-nuclear world even though the bombs have not gone off. Nuclear weapons are already taking a

moral, spiritual, psychological and physical toll.

In the film, the character of J. Frank Parnell, a middle-aged scientist, is first seen mysteriously driving a 1964 Chevrolet across the southwestern American countryside. In the car trunk are four dead extraterrestrial aliens whose matter is capable of disintegrating —in a blast of heat and radiation — anyone who opens the lid. The driver weaves along the highway, sweating and drained, as the

heat from the trunk penetrates the car. Parnell tells Otto, the troubled young punkish hero of the film, in anguished tones that his mind is eroding. He reveals that he has worked on designwhich his project was canceled and he was lobotomized. The neutron bomb, Parnell says, destroys people and leaves buildings standing. "Fits in a suitcase. No one knows it's there until blammo! Eyes melt, skin explodes, Everyone dead. It's so immoral, working on the thing can drive you mad." As Parnell deteriorates further mentally, the heat from the aliens in the trunk exhausts his body

until finally he dies, discarded on a bench. The movie is set in the post-industrial ruins of downtown Los Angeles amid uncollected garbage. streets littered with trash and debris, deteriorating buildings and discarded appliances and industrial

By John E. Mack

equipment. Figures in white space suits, aseptically walled off from contamination, pick up the drunk and dead bodies that fall in the streets. The moral code of the Helping Hands Accept-

ance Agency, the gang that "repossesses" cars, stealing them "from dildos who don't pay their bills," parallels the ethic of the neutron bomb. Cars are not to be damaged but people die meaninglessly, or are killed without a thought in order to obtain a profitable object. No one seems to care.

"Not many people have a code anymore," one of the repo men says. Kill or be killed is the dominant ethic. Middle-class punks with Mohawk haircuts or shaved heads commit crimes for fun. Zombielike cultists spout forth a variety of formulas for

salvation in a world that is out of their control.

"Repo Man" depicts the physical and moral desecration that results from perpetually commit-ting the planet's resources to nuclear annihilation instead of to the benefit of mankind.

There now seem to be post-nuclear war zones whole neighborhoods, sections of the nation that the new prosperity has passed by, disintegrate for lack of basic resources. The poor must do without adequate medical care, and infant death rates rise as health centers close and billions more are devoted to instruments of destruction. The increasing number of homeless in America's cities have become the refugees of a potential war for which society is mortgaging its humanity.

In midtown New York recently, two single-

room-occupancy hotels that formerly housed poor people were demolished without a city permit. The motive was reportedly to beat a legislative deadline

that would have placed a moratorium on profitable luxury conversion of such properties. Since apparently no attempt was made to disconnect water and gas lines, much of the block — and the people in it — could have been blown away.

As many American young people grow older,

they become afraid that they may have nothing to look forward to. They are uncertain about making lasting commitments to a future that they doubt they will ever see. For one rock music group, the Sex Pistols, "no future," a line from one of their songs, became virtually a motto.

When governments take the lead in planning the

systematic murder of millions of innocent people, all other destructive behavior may become permissible. The justification for this - the activity of another nuclear superpower — seems inadequate, especially as the proliferation of nuclear weapons does little to change what is deplored about the alien power's system or intentions.

The nuclear winter is already here; it is a cold winter of the soul. The bombs have not gone off, but they are affecting our moral and spiritual lives. A film such as "Repo Man," even if this is not its intention reveals to its t scape surrounding us. It does not have to be this way. We can still become aware of the violence that we are inflicting on ourselves as we threaten to destroy our enemies and our planet. It is not too late to take responsibility with the Soviet Union and other countries for the world that we are creating. The risk of going on as we are is that the loss of caring may permit the last destructive act.

The writer, a professor, is chairman of the executive committee of the department of psychiatry at Harvard University. He contributed this comment to the Los Angeles Times.

## Kirkpatrick Did a Job, But Is It the Right One?

By Robert L. Schiffer

N EW YORK — Whatever the that have been clear and straightultimate judgment on Jeane J. Kirkpatrick's four years as chief American delegate to the United Nations, she has had more influence on America's policies there than any of her 16 predecessors. She took the job believing her assignment was to protect and enhance "the legitimate aspirations of the American people" in an or-ganization that, she felt, had begun

forward, such as those concerning the Afghanistan issue and attempts to expel Israel from the United Nations. But she has been uncharacteristically silent in situations such as the on-again, off-again po-sitions that the United States has taken in connection with the Law of the Sea Treaty, and, most re-cently, in the withholding of a promised and badly needed contri-

Walters is known for skill in quiet diplomacy, and this may be a good time to give it a try.

to treat America as "the bad guys." She leaves it convinced that whereas "four years ago, the United States was isolated and humiliated ... that is not easy anymore."

It is a concept of the job that her successor, Licutenant Geneneral Vernon A. Walters, promises to uphold, but is it a valid one? Is that why the United States spends more than a billion dollars a year at the United Nations?

That is the way Dr. Kirkpatrick win the respect that Dr. K saw it, and, while she was more rick has been working for. abrasive than need be at times, she made it unmistakably clear that the United States could no longer be taken for granted.

But rhetoric can take you only so far. Few delegates, Dr. Kirkpatrick included, take a position on anything without instructions from home. What she has had to contend with are the echoes of larger foreign policy disputes in which respect for the United States is not won or lost because a chief deleeate delivers a hard-hitting speech. Her predecessors were no less vig-orous than she in defending U.S. interests, but they, even as she, had to cope with the fact that, from the 1960s on. Washington did not have

the votes to call the tune. Dr. Kirkpatrick has been at her best when representing policies

De Min 150

bution to the UN Fund for Population Activities because the Reagan administration was vexed by reports of abortions in China.

Not only does this latter action undercut one of the more deserving United Nations programs, in fact for domestic political reasons; it will change nothing in China, while prolonging the agony of starving Africa, where food and population are intertwined. This is no way to win the respect that Dr. Kirkpat-

The United Nations is in many ways its own worst enemy, with deliberative organs that are less and less useful. But that is the fault of its members, who worry more about using the United Nations to

score propaganda victories than for solving the problems before it. Dr. Kirkpatrick met the Russians and the Third World head on. and she completed the agenda she drew up for herself. General Walters is known for his skill in quiet diplomacy. This may be a good time to give it a try.

The writer served as an adviser to Kurt Waldheim, when Mr. Waldheim was secretary-general, and to two United States chief delegates to the United Nations. He contributed this comment to The New York Times.

#### LETTERS TO THE EDITOR

The technical implausibility of President Reagan's "star wars" defensive shield is not its main problem.

Deterrence by Suitcase

The very idea is archaic. It assumes that missile-carried weapons are the principal nuclear threat.
As Professor Lloyd S. Etheredge of the Massachusetts Institute of Tech-

nology wrote in The New York Times on May 27, 1981, "the Russians already have the capability to place nuclear warheads throughout the United States quietly, as we have to situate them throughout the Soviet Union." Technology has led us past the age of thrown weapons to planted weapons. The new threat is in the detonation of planted weapons small enough to fit into a suitcase.

Given the paranoia that fuels both the Soviet and the American military planners, can we safely assume that the planting has not already been done? For 40 years the ruling military axiom has been. "If we can do it and they can do it, we'd better do it, since they probably have done it." Could the Russians penetrate

America's borders so easily? Mexican peasants cross those borders almost at will - and return home for birthdays. Sophisticated superpowers can enter with at least equal ease. Security lies not in laser fantasies

in space but in belatedly serious diplomacy and arms control on Earth. DANIEL C. MAGUIRE.

## Responsibility in Manila

Regarding "Philippines Puts Blame on IMF" (Feb. 6) by Mark R. Thompson and Gregory W. Slayton:

I must object to the title given our column as not only erroneous but in fact misleading. Our thesis was simply that IMF leniency in both its programs and its review procedures. coupled with its unwillingness to address critical structural barriers within the Philippine economy, renders the IMF far from blameless in the current Philippine economic crisis. This is especially true in light of the fact that the IMF has had almost continuous standby arrangements

with the Philippines since 1962. Nevertheless it is clear that the rests squarely on the shoulders of the cess because of its technological in-

current Philippine government. An attentive reading of our column re-

veals this underlying assertion. That your title obscures this important point is a mild understatment. GREGORY W. SLAYTON.

The Very Same Man?

Regarding the report "Graphic Anti-Abortion Film Touches off Controversy in U.S." (Feb. 11) by Ruth Marcus: We are told that the busy President Reagan finds time for generous and inspired compassion for the fetus who experiences "long and agonizing pain" during an abortion. This sympathetic president is so considerate as to make it his concern that even the unborn citizens of his country will be safe within the wombs of their mothers. Could this be the very same man who makes it his business to build the most sophisticated weapons possible, designed solely to extinguish thousands of lives at once - adults, chil-

dren and fetuses alike? TANYA TOMKINS. Amsterdam.

As a university student in New England I was a part of Students Against Nuclear Energy (SANE). We found it impossible to lease a Canadian-made documentary depicting the realities of nuclear arms, energy and politics. The film received worldwide recognition for its excellence, but it was banned in the United States by. the Reagan administration.

Now I read that President Reagan is all for an emotional documentary, which is to be widely distributed, condemning abortion rights. Isn't politics grand?

ROBERT ZAKIN.

In Orbit or the Suburbs Regarding the feature article "A Space-Age Building" (Jan. 28):

I was disappointed by your review of the Intelsat Building in Washington. Benjamin Forgey makes sound observations on the building's disregard for its context and for pedestrians. He discusses the mistaken placement of its main entrance. Those observations are ignored when he primary responsibility for the crisis concludes that the building is a sucnovativeness and energy-saving features. Such is the American worship of technology that we can forgive almost any sin if there is a new set of buttons or gizmos to distract us.

I am very skeptical of the elaborate window shading devices. How will they appear in a few years, rusted and corroded? And what about the building's response to the urban residential scale of Connecticut Avenue?

In European urban architecture. respect for history is a prerequisite of design. In the United States, sensitivity to the historical is only an "op-tion" that the designer may or may not exercise. Surely, American cities will suffer if more "mini-Intelsats" begin growing - and if architects ape what they perceive to be approved by the press. Why not take a stand and say that Intelsat should be placed where it belongs: either in outer space or in the suburbs somewhere? NILS C. FINNE.

#### Who Pays This Piper?

I see that Jennefer Hirshberg (People, Feb. 6) has been hired as press secretary to Mrs. Reagan at an annu-al cost of \$55,733. is Mrs. Reagan herself footing this bill, or are the taxpayers being asked to fork over 55 big ones to keep the world informed on the colors of this year's White House bathroom drapes and whether the president is talking to his son?

DONALD ARTHUR.

#### Protectorate, Not Colony

Your reference to the sultanate of Brunei (People, Feb. 12) as a former British colony is incorrect. Brunei enjoyed, from 1888 to December 1983, special treaty relationship with Great Britain whereby its foreign affairs were the responsibility of the British government. Brunei was thus, throughout this period, a British pro-tectorate. This fact was emphasized when, on Jan. 1, 1984, the treaty was bilaterally terminated. At the ceremony the Union Jack was not lowered, as it had never been flown in Brunei. The sultan issued a proclamation of the declaration of independence of the sultanate.

JEFFREY FINESTONE

Econo And S Tust a By George C

NICOSIA - A WA Green Lice that divi encapsuales the econ ences between the T ried north and the Green The Stagnation visible in the shabbine em Nicosta contrasts the of the south. The driver's paradise, its 1 devoid of traffic, apart carrying fresh product clustered manuars of The situation is diff decade 220 Then. Army's invasion of year reft more than a island, containing, a Cyprict government some To percent of the nomic and natural rese inheritance of the non together Turkish Cypi nin, making up 18 pe Сурпо: верилацоп. The Creek Cypnet: other hand, was faced of absorbing 170,000 m the north, about one-

island's population. It ployment to 25 peros and 1975, the gross do uct fell ev 18 percent cent respectively, and about the island's fur flected in emigration the south of 5,400 at 1975 and 1975. But in the south, the was ratio A decision. 1817UL 1- 519-12/5200 levels as actickly a through the implemen senas of short-term a By 1975, the south was

1975 per-capita incon resched. However, this econo a term disaked by C ners, was achieved at i cost, and many of th weaknesses created th manaing solutions now After 1974, priority cousing and employing gees from the comb. Fu tructural projects such struction of schools, i and Larmaca surport we en preference. This w

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people, and its debt-se was 10.7 percent in 198 The initial emphasic intensive low technolog the unemployment, and the farm lands of the Growin

By Geor Nicosia — Not so who get into a taxi it destination in broken (

answered in English. T to get his reply in Swed ing on how the taxi dr The change reflects the tourist industry and the new markets. British passport hol

largest group of visitor treasingly. Scandinavia Greeks and, since the Arabs, are joining their Last year, the Greek to more than 700,000 t on 1983's total. Each st days and together continuition Cyprus pounds
percent of the gross of economy. This was welchy that a decode and try that a decade ago ic Kyrenia and the Varosi



## **Economic Recovery And Stagnation Sit Just a Street Apart**

By George Coats

NICOSIA — A walk across the Green Line that divides Nicosia encapsulates the economic differences between the Turkish-occupied north and the Greek Cypriot south. The stagnation immediately visible in the shabbiness of northern Nicosia contrasts with the bustle of the south. The north is a driver's paradise, its roads almost devoid of traffic, apart from trucks carrying fresh produce, unlike the cluttered highways of the south.

The situation is different from a decade ago. Then, the Turkish Army's invasion of the previous year left more than a third of the island, containing, according to Cypriot government estimates, some 70 percent of the island's economic and natural resources, as the inheritance of the newly gathered together Turkish Cypriot community, making up 18 percent of the Cypriot population.

The Greek Cypriot south, on the other hand, was faced with the task of absorbing 170,000 refugees from the north, about one-fifth of the island's population, raising unemployment to 25 percent. In 1974 and 1975, the gross domestic product fell by 18 percent and 20 percent respectively, and pessimism about the island's future was reflected in emigration figures from the south of 5,400 and 5,600 in

But in the south, the turnaround was rapid. A decision was made to ern Europe, a halving of the return to pre-invasion economic levels as quickly as possible through the implementation of a modest wage increases, which last series of short-term action plans. By 1978, the south was back to full employment, and a year later the 1973 per-capita income level was inflation, which amounted to 6 per-

However, this economic miracle. a term disliked by Cypriot plan-ners, was achieved at considerable weaknesses created then are de-

manding solutions now. After 1974, priority was given to housing and employing the refugees from the north. Further infrastructural projects such as the construction of schools, roads, ports and Larnaca airport were also given preference. This was achieved by deficit financing and the encouragement of labor-intensive in-

Private overconsumption has meant that gross domestic savings have been inadequate to fund public investment, resulting in a reversal of Cyprus's traditional policy of balanced budgets. Since 1976, the investment ratio of 36 percent of GDP, one of the highest in the world, has been financed by bormwing. The current foreign debt stands at about 530 million Cypriot pounds (about \$352 million), or 40 percent of GDP, a considerable ourden for an economy of 600,000

people, and its debt-serving ratio was 10.7 percent in 1984. The initial emphasis on laborintensive low technology absorbed the unemployment, and the loss of

the farm lands of the Messayoria

plain tilted the balance of the economy away from agriculture toward manufacturing and services. Agriculture contributes about 9 percent of GDP and employs around 21 percent of the workforce, down from the pre-invasion totals of 20 percent and 40 percent respectively, while manufacturing contrib-utes 17 percent of GDP.

But the manufacturing sector is characterized by small-scale, family-run businesses employing an average of between four and five persons. As such, it exhibits all the strengths, but also all the weaknesses, of marginal producers. In addition, Cyprus's traditional wage-indexing system meant that labor costs rapidly outpaced productivity, leading to economic gy resources resulted in a consider-able boost in the inflation rate after the 1973 oil price increase. Inflation was running at 13.5 percent by the early 1980s.

Nevertheless, other external factors have assisted the south's recovery. Greek Cypriot entrepreneurs moved quickly to exploit the Arab oil boom. In addition, Cyprus's newly introduced offshore legislation was in place in time to benefit from the decline of Beirut in the mid-1970s. The result has been that the Middle East has now replaced Western Europe as Cyprus's major export market, taking about 50 percent of the south's goods and services, against 30 percent for West-

pre-invasion proportion.

The drop in oil prices and more ed the productivity rise of 3.3 percent in real terms, have reduced cent in 1984 but is again showing an upward trend.

The south's economy is far from out of the woods yet. The current



Raouf Denktash

1955 Greek Cypriot nationalists launch EOKA, guerrilla organization against the British colonial administration, in favor of Enosis, the political union of Cyprus with Greece. Turkish Cypriot nationalists form TMT, whose goal is the partition of Cyprus between Turkey and

1960 Independent republic of Cyprus is created under joint Greek Cypriot and Turkish Cypriot administration.

Archbishop Makarios becomes president. The republic is guaranteed by Britain, Greece and Turkey.

1963 Archbishop Makarios submits proposals to amend the constitution. Fighting breaks out, Turkish Cypriots withdraw from the government.

30 Years of Tension And Negotiations

1964 United Nations peace-keeping forces arrive. UN-spotsored intercommunal talks begin to resolve

1974. Intercommunal talks appear to be on the verge of agreement. Greece launches a coup against the Makarios government. Archbishop Makarios escapes and eventually returns as president. In the interval, Turkish troops land in Cyprus and occupy 37 percent of the island.

Intercommunal talks resume under United Nations auspices.

1977 Archbishop Makarios and the Turkish Cypriot leader, Raouf Denktash, meet. The two sides agree on a bizonal, federal, nonaligned and



independent republic as the basis for a settlement. Archbishop Makarios dies. He is succeeded by Spyros Kyprianou.

1978 Mr. Kyprianou and Mr. Denktash meet, ratifying and extending the Makarios-Denktash guidelines.

1983 Greek Cypriots raise Cyprus issue at the UN General Assembly. Turkish Cypriots pull out of the intercommunal talks. Turkish Cypriots unilaterally declare the occupied zone as the Turkish Republic of Northern Cyprus, Turkey recognizes the republic. The UN launches new peace

1985 Mr. Kyprianou and Mr. Denktash meet at the UN in January. The two sides fail to agree on a draft settlement.

## **UN Peace Effort:** The Key Word Is Momentum

By Andriana Jerodiaconou

NICOSIA — The divided Greek and Turkish Cypriots happen to have an idiomatic expression in common: "The sugar is in the water." In both Greek and Turkish, this is to say that a situation is

The sugar is certainly in the wa-ter, after the failure of the January peace talks in New York between President Spyros Kyprianou and the Turkish Cypriot leader, Raoul Denktash. Their meeting was the result of more than a year of diplomatic effort by the United Nations secretary-genéral, Javier Pérez de Cuellar, operating with the backstage help of interested capitals such as Washington and London. It was considered the best chance in a decade for reaching an agreement toward a reunited Cyprus.

Officials involved in the UN peace effort now say it is imperative to keep the diplomatic momen-tum going that could bring Mr. Denktash and Mr. Kyprianou back together for a second attempt at an igreement. If the initiative fails, observers believe it could set back

peace prospects for years.

What is at stake is the future of the island's two ethnic communities. Since 1974, the Turkish Cypriots, who make up about one-fifth of the population, have been segregated from the Greek Cypriots across the military barrier known ever since, in a de facto partition of

in reducing Greek-Turkish ten-sions in the North Atlantic Treaty Organization and limiting congres-sional resistance to boosting military aid to Ankara. The UN efforts also have the backing of the Soviet Union, which is anxious to prevent the permanent partition of Cyprus between NATO members Greece and Turkey. The Soviet Union

would prefer a nonaligned Cyprus. Washington, while stressing that it takes its lead from Mr. Pérez de Cuellar, is playing the most impor-tant behind-the-scenes role.

Last fall, President Ronald Reagan called on Turkey to urge Mr. Denktash to ease his demands in the UN-mediated Cyprus negotia-tions. As a result, Mr. Denktash dropped a demand for a Turkish Cypriot presidency-in-rotation in a wo-zone, federal republic, which both sides agree must be the framework for a settlement. He also made his most generous territorial offer to date, under which about 8 percent of the Turkish-occupied zone would be restored to the Greek Cypriots.

Those concessions made the January meeting possible. Having got there, bowever, the two sides failed to agree on the meeting's purpose. Mr. Denktash left, insisting that the concessions were his last word and that he had come together with Mr. Kyprianou to sign a preliminary agreement. This text would have left to joint working groups such issues as the timetable of Turkish troop withdrawal, guarantees for the future state, the right of movement, property ownership and settlement on the island and the precise areas to be restored to the Greek Cypriots.

Mr. Kyprianou's view was that the blanks pertaining to these issues had to be negotiated and filled

## Potato Farmers Are Moving Mountains

By Kerin Hope

LARNACA - Eager to get a bigger share of the lucrative British potato market, enterprising growers in the south of Cyprus bring truckloads of rich red soil to the rocky headlands of the island's southern coast and plant where the climate is milder and water remains readily

Potatoes have replaced table grapes and oranges as the Greek Cypriot farmer's most important single crop. The early varieties, harvest-

tion works," the agriculture minister, Andreas asolomondos, said.

Cyprus exported 160,000 metric tons of potatoes in 1983, the last year for which complete independence in November 1983, the European figures are available. More than 70 percent went Community turned a blind eye to trade with the micromomentum is U.S. interest in the lighest level before signature and before the setting up of

potatoes" in Britain and West Germany. A smaller second crop, harvested in late autumn, goes mainly to Arab markets.

12.3 million Cyprus pounds (about \$18.4 million as the Green Line. Turkey landed troops in Cyprus in July of that cultural exports.

"Getting the crop on the market early can

The potato-growing boom is spreading now junta against the government of
the north of the divided island, although Archbishop Makarios. The northenergetic farmers simply move their field to Turkish Cypriot farmers say they are hampered ern part of the island, about 37 where the potatoes can ripen fast and the irrigably the EC export ban on popular seed potato percent of its territory, has been by the EC export ban on popular seed potato percent of its territory, has been varieties. Last year, farmers in the north export-under Turkish military occupation ed 14,000 tons of potatoes, mostly to Britain.

Before northern Cyprus unilaterally declared the island.

THE GREEN LINE Kyrenia

## **Growing Tourist Industry Becomes Multilingual**

By George Coats

NICOSIA — Not so long ago, a foreigner who got into a taxi in Cyprus and gave his destination in broken Greek was automatically answered in English. Today, he is just as likely to get his reply in Swedish or German, depending on how the taxi driver analyses his accent. The change reflects the expansion of the Cypriot tourist industry and the success of its quest for

British passport holders still make up the largest group of visitors to the island, but, in-creasingly, Scandinavians, Germans, mainland Greeks and, since the war in Lebanon, Gulf Arabs, are joining them.

Last year, the Greek Cypriot south was host to more than 700,000 tourists, 18.4 percent up on 1983's total. Each stayed an average of 10.6 days and together contributed more than 200 million Cyprus pounds (\$143 million), about 12 percent of the gross domestic product, to the economy. This was welcomed by a tourist industry that a decade ago lost its two main centers, Kyrenia and the Varosha area of Famagusta, as

Building around the island's formerly neglected southern perimeter began as the displaced hoteliers from Varosha turned Limassol into the island's nightlife capital. At the end of last year, Limassol had 32 hotels and hotel apartments offering 4,652 beds, with another time in 76 years to Larnaca's salt lake be repeatfive under construction and further building already approved. Larnaca also has been developed and it now offers more tourist accommodation than Nicosia. Ayia Napa, to the south of Farnagusta, has retained an attractive elegance empty and unmaintained for 11 years. Attempts tacking in the more crowded resorts, while Patron attract tourists with hard currency have met phos, with its new airport, offers a more isolated position and more sedate traditions.

Between Paphos and the rest of the island lie the Troodos mountains, which rise to more than 6,000 feet (1,800 meters) and offer skiing in the Britain's House of Lords that tourists could be winter and a refuge from the heat in the sum-

Cyprus also is looking to the middle-income

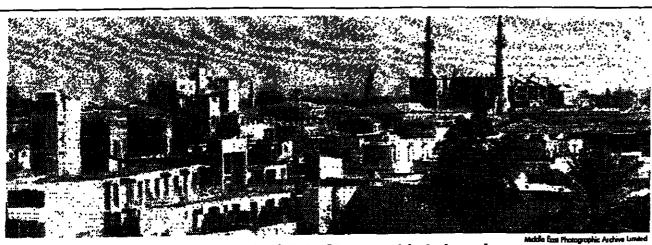
a result of the Turkish occupation of the north.

Once the recovery started, it was rapid. The airstrip at Larnaca was converted into an international airport to replace the one in Nicosia, which is now in the United Nations buffer zone.

Residue as the load by extending the season from the present peak period of the six summer which is now in the United Nations buffer zone. November.

Holidays of special interest are being promoted, drawing on the island's historical heritage. Walkers, wild-flower lovers and, should this winter's return of the mute swan for the first ed. bird-watchers all are being courted.

In contrast to the south's recovery, however the northern areas have not fared so well. The high-rise hotels of Varosha have been standing empty and unmaintained for 11 years. Attempts with limited success, while the Cypriot government in the south has discouraged any interna-tional airlines except Turkey's THY from using sued for using the furniture and fittings of hotels formerly owned by Greek Cyprious in the north has acted as an obstacle to tour operators.



At the Green Line: Nicosia's Selimiye Mosque, at right, in the northern sector.



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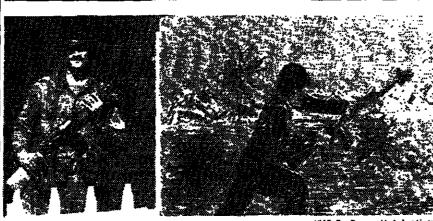
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#### A SPECIAL REPORT ON CYPRUS





A Greek Cypriot outpost, left, and a military parade in northern Cyprus, right.

## UN Force Maintains Stability of Island Military Kaleidoscope

while it has shared the island with British bases, from which American U-2 planes have operated since 1973. shell-pocked abandoned buildings, sandbagged firing positions and soldiers on duty.

In 1974, the military kaleidoscope took another turn, following the Turkish invasion of the north. A dividing line was drawn, with UN troops holding a thin line between hostile forces. The UN role was to guarantee the republic's integrity.

It is ironic that the plan for a Cypriot armed forces, foreseen in the independence agreements, never became a reality, and the Cypriot contingents on both sides of the dividing line had their origins in unofficial

A visitor to the island cannot fail to notice the

But the soldiers and gun emplacements have become part of the local scenery, and, in some ways, the Green Line has become a tourist attraction, like the Berlin Wall

Politicians on both sides of the line, as well as their leaders in Athens and Ankara, argue in the knowledge

NICOSIA — Cyprus, the Cypriot government insists, is a nonaligned country. But since independence troops are a regular feature of Nicosia traffic. And at 100 feature of Nicosia traffic. 25 years ago, the republic has housed troops from two the end of Ledra Street, one of southern Nicosia's resenting the 650-man contingent foreseen in the indecontending NATO armies and the United Nations, main commercial centers, shoppers move among pendence agreements and the brigade-size Turkish main commercial centers, shoppers move among pendence agreements and the brigade-size Turkish Cypriot security forces.

Facing them across the UN buffer zone are 1,500 mainland Greek troops, comprising the 950-member unit allowed under the independence agreements and many of the officers and noncommissioned officers of the 10,000-man Cypriot National Guard.

Militarily, the Turks appear to have the upper hand.

The 17,000 to 20,000 men in the north are thought to that the UN force is there to prevent major hostilities.

"Our role is to keep the situation stable," said a UN spokesman, "with the full agreement of both sides and for as long as both sides want."

The force's 2,311 men, drawn from seven nations, an army based on the Anatolian mainland. It has military presence. Between Laruace airport and Nico-sia stands a large Cypriot National Guard camp. role in defusing the almost daily incidents fail, it air superiority, with Turkey just minutes' flying time

no air power over the island.

The Turkish weakness is seen as a too rigid command structure, with consequent tactical inflexibility. The quality of the 5.000 Turkish Cypriot security forces is not rated highly.

Ingenuity is seen as one of the few assets on the Greek side. Mainland forces dominate the high command, but a program of Cypriotization is under way, and so is a rearmament plan. But air defense remains the problem. Diplomatic sources report that the pur-chase of surface-to-air missiles was discussed last year

with the French government.

However, while beefing up its forces, the Cypriot government has been careful not to overstep the fine line between the defensive and offensive, for this

might provoke what it hopes to deter.

## Political Settlement Could Cut Greek-Turkish Gordian Knot

the Gordian knot; think of the Cyprus issue as the sword that could cut through them," one political analyst said, commenting on the role of Cyprus in Greek-Turkish

The search for that sword is what U.S. support for the United Nations peace initiative is all about. The best evidence of this came last November, when it became known that President Ronald Reagan personally urged Turkey's president, Kenan Evren, to make concessions in the UN-mediated negotiations on the Cyprus issue. His main argument was that this would smooth tensions on NATO's southeastern

The United States and other North Atlantic Treaty Organization countries that are lending a behind-the-scenes hand to the UN, such as Britain, hope that a Cy-prus settlement would also mark the beginning of the end of the ister, Yiannis Kapsis, whose port-the elections.

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NATO's hope is that a Cyprus

agreement will prompt Prime Minister Andreas Papandreou's Social-ist government in Greece to re-establish negotiations with Turkey to resolve their Aegean disputes. These include continental-shelf rights, the delineation of territorial water and airspace limits, the sharing of military control in the Aegean and the militarization of Greek islands such as Lemnos. A Greek-Turkish dialogue, on

the level of foreign ministers, had begun under conservative governments in Greece. But this was frozen when the Socialists came to power in 1981, on the argument

NICOSIA — The problems be-tween Greece and Turkey are like an, the legacy of the 1974 Cyprus tions, declined to comment on the crisis, which has disrupted the stra-tegic southern wing of the Atlantic alliance for more than a decade. in that the curent UN peace initiative of Secretary-General Javier Pérez de Cuéllar is at a critical stage. But the Greek government spoke Dimitris Maroudas, stated in December that the start of a dialogue

> lution for Cyprus. According to Turkish diplomats, the Cyprus problem is cited by Greek officials as an important obstacle to renewed negotiations on the Aegean issues.

with Turkey, on whatever level,

"presupposes a just and viable so-

Some analysts believe that even if the UN's Cyprus peace effort bears fruit in the next few months, the resumption of a Greek-Turkish dialogue remains unlikely in 1985, an election year in Greece. They that the status quo in the Aegean is argue that Mr. Papandreou will be already set by international law reductant to abandon his hard-line and is, therefore, not negotiable. stand on Turkey, which appeals to
The Greek assistant foreign min: Greek nationalist sentiment, before

Others argue, however, that voters would respond to a successful resolution of the Cyprus problem, which Mr. Papandreou could point All analysts agree that the benefits to the West of a Cyprus-led reconciliation between Greece and Tur-

key would be far-reaching.

According to diplomats involved in the UN peace effort, one motive of the Reagan administration for wanting a settlement is that this would reduce congressional resistance to increased military aid for Turkey, whose strategic impor-tance has escalated since the end of Shah Reza Pahlavi's rule in Iran.

The United States imposed an arms embargo on Turkey following the 1974 Cyprus crisis, when Ankara dispatched troops to the island in reaction to a coup mounted by the Athens junta against the gov-ernment of Archbishop Makarios.

The embargo was lifted in 1978. But in view of the continued Turk-But in view of the continued Turk-on the sharing of military control in ish occupation of northern Cyprus, the Aegean under the new com-

## **Peace: Keeping Momentum Going**

(Continued From Previous Page)

working groups. What is required now is the bridging of that gap, so that a second meeting can be arranged. UN officials say there will be mediated "contacts" between the two sides at a lower level, where the task will be to agree "on both the scenario and the substance" of another Kyprianou-Denktash meeting. All observers agree that the United States has a major role to play. Meanwhile, both sides are keeping the door open to further talks. The Cypriot president reiterated his commitment to continuing the UN peace process in an interview this month. "The UN's priority is that the meeting should be well prepared, and that is right. We can't have another experience, where one side goes to negotiate and the other not," he said. Mr. Denktash has said that he is willing to come

together again with Mr. Kyprianou, but that this cannot happen before elections are held in the occupied north, which was declared an independent state by the Turkish Cypriots in November of 1983. This self-styled state has only been recognized by Turkey. Turkish Cypriot officials, however, insist that the elections should not be construed as a move to consolidate statehood, and, therefore, that they do not conflict with a call by Mr. Pérez de Cuellar for both sides to avoid actions that could jeopardize the UN initiative. Officials also said constitutional amendments might be necessary to permit Mr. Denktash to run for a third term as

"These things have nothing to do with the reinforcement of our republic, and this should be understood by all well-meaning people," Necatin Ertekum, a senior Turkish Cypriot official, said in an interview

There are many reasons on both sides of the

Green Line for wanting a settlement. For the Greek Cypriots, long-term physical and political security is the paramount concern. Their fear is that without a guaranteed settlement for Cyprus, the Turkish hold on the northern part of the island will become permanent, and that, in their view, the risk of another Turkish military move on the island will never be totally absent.

pressure by the so-called Greek roand. The project has been on ice forces out of regional maneuvers to lobby in Congress against arming Ankara has remained high.

The project has been on ice forces out of regional maneuvers to since Greece returned to the miliprotest Turkish objections to the tary wing of the alliance in 1980, militarization of Lemmos. after a six-year absence in protest over what was seen as NATO apathy during the Turkish invasion of

> In addition, a settlement could restore Greek participation in NATO exercises in the Aegean. The Papandreou government de-cided to keep land, naval and air

"My husband has a good income, and we lead a comfortable life; but I look at this every day and think, what's the use, there could be another war tomorrow," a Nicosia housewife said. Many of her relatives and friends were among the 170,000 Greek Cypriots who fled their homes before the Turkish troops in 1974.

For the Turkish Cypriots, perhaps the major incentive for a settlement is economic develop-ment. Once past the "welcome" sign beside the Turkish checkpoint on the Green Line, the evidence of the economic disparity between the north and south is obvious in dilapidated roads and

The economy was a key concern among Turkish Cypriot politicians interviewed. "Look at them over there and look at us over here," one Turkish Cypriot official said, gesturing toward the Greek quarter of Nicosia. "They have a per-capita annual income of \$4,500; we have one of \$1,000."

Turkish Cypriot leftist opposition leaders, who are pressing Mr. Denktash to come to a settlement with the Greek Cypriots, indicate that hopes that the 1983 declaration of a state would bring trade and tourism, along with international recognition, have been disappointed. "Recognition looks almost impossible; even if some states do recognize us, they will not be so important," said Alpay Durduran of the Communal Liberation Party, which accounts for about 30 percent of the Turkish Cypriot electorate.

On both sides of the line, however, the view is that any Cyprus settlement must carry a fair price. "I have been around villages, talked to people in all there was no agreement in New York, said Ozker Ozgur, leader of the Republican Turkish Party, a leftist grouping that holds about 15 percent of the vote. "But they do not want just any settlement. It has to be honorable.

To have any hope of success, the search for an agreement that both sides can call honorable is hat a future Kyprianou-Denktash meeting will

# **CYPRUS**

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mean that a stalled project to set up

a new command headquarters in

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Above all, NATO wants to see an end to a wrangle that threatens with regard to what should be its main strategic concern — defend-ing against the Warsaw Pact threat from the north. Mr. Papandreou, who is also Greece's defense minister, has argued in NATO meetings that the main military threat to Greece lies not in the north but in Turkey to the east. Greek administrations before him based their claims of a Turkish threat on the Cyprus experience of 1974, comied with the deployment by Turkey of

its 4th Army on the Aegean coast.

In January, the Papandreou government formally adopted a new "defense doctrine" reflecting the belief in a Turkish threat. The announcement of the doctrine caused shudders in NATO capitals. But military experts pointed out that, in fact, it formalized what has been the case since 1974 - that Greece is deploying its forces with an eye on its eastern borders with Turkey.
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who successfully untied the Gordian knot would become the master of all Asia. In this case, the reward would be a united NATO.

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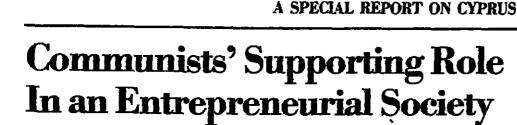
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NICOSIA — Once a visitor gets to the four-story office block housing the Progressive Working People's Makarios and, after his death, in 1977, his successor to Party, known as AKEL, it is only a short walk to an the presidency, Spyros Kyprianou. imposing concrete building fronted with attractive stained-glass windows nearby. This is, in fact, the Soviet cultural center, built in 1979 as Moscow's answer to the thriving American center on the other

That the two buildings are found in the same neighborhood is apt. AKEL had its beginnings in the Communist Party of Cyprus, known as KKK, founded in the early 1920s by a group of Greek Cypriot workers inspired by the ideals of the Russian Revolution. In an early letter to the British Labor Party, the KKK's founders declared their goal to be "the setting up of a soviet socialist republic" in Cyprus.

One of the determining historical characteristics of

AKEL itself - the party was renamed in 1941 - lay

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The party is one of the world's largest nonruling Communist parties. It emerged as the largest party in the 1981 elections.

in the fact that it remained largely uninvolved in the guerrilla war of 1955-1959 against British colonial rule, which was fought under the banner of Enosis, the political union of Cyprus with Greece.

This was partly because EOKA, the rightist nationalist movement, by definition excluded AKFL. But the Communists also represented a political force, the only major force of its kind on the island, which rejected nationalism in favor of coexistence between the two ethnic communities, the Greek and Turkish

Today, the pro-Moscow AKEL is one of the world's largest nonruling Communist parties. It emerged as the single largest party in the 1981 legislative elections, with 32.8 percent of the vote, a 1-percent edge over the rightist Democratic Rally.

The only other significant leftist party, the socialist EDEK, lags (ar behind, with only about 8 percent of the vote. It is not surprising, then, that AKEL's tacit alliance with the island's first president, Archbishop Makarios, spawned U.S. State Department fears of Cyprus as a "Mediterranean Cuba." The archbishop, who secured the party's support in exchange for legal-

izing it, was tagged the "Red priest."
"Makarios's nonaligned foreign policy, which looked toward the Soviet bloc as well as the West, contributed to American fears. But these were also fueled by the existence of AKEL behind the scenes," Michael Attalides, a sociologist and author of a book on Cyprus politics, said. Yet, the party's story is more one of what might have been. Far from setting up a "soviet republic," the 1960 independence treaty set up a government guaranteed by three North Atlantic Treaty Organization powers: Britain, Greece and Turkey. To underline the fact that Cyprus was part of NATO's strategic territory, 99 square miles (257.4 square kilometers) were ceded under the treaty to

Britain for military use. Under these circumstances, AKEL never played

the presidency, Spyros Kyprianou.
In a 1983 "minimum policy program" formalizing
AKEL's alliance with Mr. Kyprianou's right-of-center
Democratic Party, the Communists went so far as to pledge their support for a free economy and, even

more startlingly, "the middle classes."
"We believe that Cyprus is still struggling for its national survival. To bid for socialist reform now would only divide the people and serve the interests of our enemies," an official of AKEL said in a recent

Meanwhile, Cyprus is a thriving entrepreneurial society, made up of what one Western observer calls "incurable capitalists, including the Communists," with its face firmly turned to the West.

Although AKEL accounts for more than a third of the electorate, the Soviet Union and other East bloc countries attract less than 10 percent of the Cypriot students who go abroad for their university education each year. According to the United States Information Service, Cyprus will draw 275 Fulbright scholarships in 1985, the largest number in absolute figures

The Soviet Union will award about 80 scholarships this year. More significantly, the consensus among political analysis is that AKEL's electoral strength, estimated at more than 40 percent at its peak some years ago, is on a slow decline. One commentator invoked the "anachronism of a strictly orthodox, Moscow-line party, which entertains little dissent. Anybody who disagrees with the party line is expelled. Such is the discipline that few of them will ever reveal why, even years later.

Other analysts cite the evolving economic and polit-

ical situation on the island. "When we first started the party, education was low, people were exploited by landowners, merchants, the church. The ground was very fertile; it was easy to spread communist ideas," says Ploutis Servas, a for-mer general secretary of AKEL, who was expelled for dissent in 1952.

The first serious challenge by the right, according to Mr. Servas, came only after 1955, when, through the EOKA fight, "the right swept the youth — they had the revolutionary slogans."

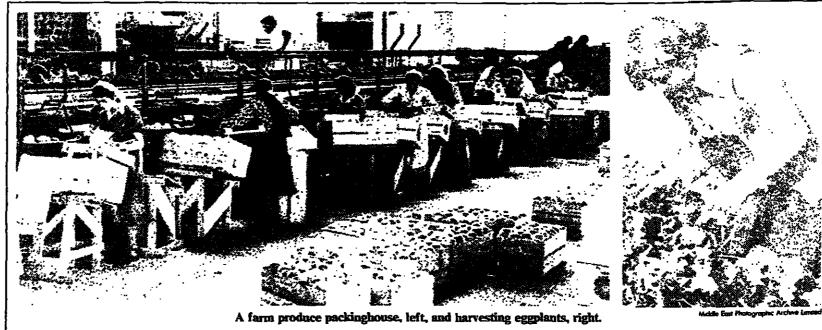
But the battle is not yet over for AKEL. According to diplomats involved in the current United Nations peace bid for Cyprus, the Soviet Union's support of these efforts reflects above all the desire to see the re-establishment of a nonaligned republic on the island within which the party could form a power bloc together with the Turkish Cypriot Communist left. which comprises about 16 percent of the electorate in the north.

In cooperating with the Turkish Cypriots, commentators say, the party can build on its past moderate, anti-nationalist image

Officials of PEO, the AKEL's trade union confederation, which represents about 50 percent of unionized Cypriot workers, say they have had several contacts in third countries over the past years with Turkish Cypriot labor leaders, most recently in London in Novem-

ber 1984, and that they look forward to more.
"It seems to me that future cooperation between the Greek Cypriot and Turkish Cypriot Communist left is something that Washington, which is in the driver's seat in terms of the United Nations peace initiative, will be keeping a close watch on," one observer of the peace process said."

ANDRIANA IERODIACONOU nomically by community inaction



## EC Moves Closer to Agreement on Customs Union

By Steven J. Dryden

BRUSSELS — After more than eight years of delay, the European Community this year may take the first steps toward completion of a final trade agreement with Cyprus. Following a meeting with Cypriot officials in December, the community announced that it had the "firm intention" of preparing guidelines in 1985 for negotiating a customs union with Cyprus.

Under a 1973 agreement of association, which the community has concluded with only three other countries — Turkey, Greece and Malta — Cyprus and the EC have established a preferential tariff system. The customs union, which was to have come into force in 1977, would lead to the abolition of trade barriers and the adoption by Cyprus of the community's common customs tariff for external trade.

The community plan, however, remains linked to the same larger EC and Cypriot problems that blocked its fulfillment in the past: the lack of a political settlement on the island and the enlargement of the community to include Spain and Portugal.

The community has always maintained that the development of its trade relations with Cyprus cannot be separated from the island's political situation. When the community made its December statement, there was hope that the upcoming meeting between the Greek Cypriot and Turkish Cypriot leaders in New York would produce a settlement. The breakdown of the talks left the intentions of the commu-

Even if the political situation improves, the community clearly appears to want to complete its enlargement negotia-tions with Spain and Portugal this year as planned before defining trade relations with Cyprus. At that point, although Cyprus can count on support for the customs union from such member states as Greece and Britain, there may still exist objections from other community nations that do not want to liberalize agricultural trade with yet another Mediterranean country.

This uncertainty is stretching the patience of Cypriot officials. "Cyprus wants a close relationship," said Andreas Georgiades, a counselor at the Cypriot mission to the EC. But, he added, "the importance of the community to Cyprus is dimmishing each year.

Cyprus is chiefly concerned by its negative balance of trade with the community, which grew from 97 million European Currency Units (\$108 million) in 1976 to 508 million ECUs (\$452 million) in 1983. The community's share of exports from Cyprus fell from 44 percent in 1975 to 27.5 percent in 1983.

This trade slowdown has affected the chief Cypriot agricultural exports to the community — citrus fruits, new potatoes, grapes and wine. The community's main exports to Cyprus include cereals, animal feed, machinery, road vehicles and textiles.

Cypriot officials blame much of the deteriorating balance of trade on the quotas that control many of their preferential exports to the community in the absence of a customs union. EC officials reply that part of the deterioration can be explained by the diversification of Cypriot exports, although they admit that some member states have blocked efforts to give Cyprus better trade conditions.

As to the timetable for a customs union, Cyprus believes the community has its priorities backward. "A customs union will induce a political settlement by creating commercial and economic benefits that Turkish Cypriots would like to share in," a Cypriot official in Brussels said. The Cypriot government would also welcome the political support such an agreement would represent, officials of several EC coun-

Cypriot officials have told the community they think the EC has made a mistake by not completing a customs union agreement while the enlargement negotiations were under way. The entry of Spain and Portugal, they said, will only reduce Cypriol agricultural exports to the community that have already been weakened by several years of sluggish trade. The officials said Cyprus should be given special consideration apart from any new community policy on trade with nonmember Mediterranean countries

Cypriot officials gloomily predict that even if the community adopts negotiating guidelines this year, it may take several more years to complete a customs union agreement. Turkish Cypriot officials, however, are opposed to the establishment of a customs union while there is no political settlement.

"It's a mistake to have a customs union [between the is diminishing each year."

Another Cypriot official has complained privately to the community that EC-Cypriot relations are paralyzed. He said in Brussels of the Turkish Cypriot government. "They [the community] would be officially and effectively dividing the

Mr. Atun, a former mayor of Famagusta, said a customs union would only perpetuate what he believes has been an unequal distribution of community aid, mainly benefiting the Greek Cypriot population. "We have not received a single penny from the EC for any of our projects," he said. A community source said the projects proposed by the Turkish Cypriots, which included road and harbor improvements in the northern part of the island, were rejected because they did not meet the EC criteria that they benefit

the entire population. "Projects on the Greek side were rejected, too" on the same basis, the source said. The projects the community has approved have come under two financial protocols, the first running from 1979 to 1983 and the second beginning last year. The first protocol provided \$33 million in loans and \$8 million in grants used for three projects; extension of the electrical system for the entire island, improvement of the water supply network in Larnaca, Nicosia and Famagusta. and modernization of the sewage system in Nicosia. The second protocol, which provided \$30 million in loans and \$8.9 million in grants, is to continue the sewer and electricity projects and build a new water supply system for Nicosia. Famagusta, Limassol and Lamaca

Despite this appearance of community evenhandedness, Mr. Atun said the Turkish Cypriots remained unsatisfied with the projects. Most of the construction, he said, is handled by Greek Cypriot firms, and many of the facilities for controlling water and electricity are or will be under Greek Cypriot control.

In fact, unhappiness on the part of one side or the other seems guaranteed no matter what policies the community pursues. After the Turkish Cypriot declaration of indepen-dence in 1983, for example, EC foreign ministers quickly condemned the move and restated that the government o Cyprus was the only one recognized by the community. This pleased the Greek Cypriots, but they were soon voicing their dissatisfaction with the lack of action by the EC to stop member states from applying the same preferential tariffs to exports from northern Cyprus as they did to those from the Cypriot state.

If the Turkish Cypriots are not penalized for their unilateral declaration, "then they will get the feeling they can take any action they want," a Cypriot official in Brussels said. An official of one EC state said that while the Cypriot argument had merit, "if you were to say that there is a separate entity, from which you don't accept exports, you are accepting the division of the island; we want to avoid

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## Cyprus: Recent Developments and Prospects

A high-level meeting in New York between the President of Cyprus, Mr. Spyros Kyprianou, representing the Greek Cypriot community and Mr. Rouf Denktash representing the Turkish Cypriot community ended on January 21, 1985. The Secretary-General of the United Nations said at the end of the meeting that the gap between Greek Cypriots and Turkish Cypriots had never been so narrow. He also said that he had invited the two sides to meet again, if possible before the end of February.

President Kyprianou, answering questions from the press stated that he did not consider the meeting a failure and expressed his willingness to participate in further high level meetings whenever the Secretary-General invited the parties.

By contrast, the Turkish Cyprict leader said that he would not commit himself to any new date for a meeting, that he considered the meeting a failure and implied that everything that had been agreed up to that a stage must be renegotiated.

Inconsequentially to these stated positions, the Foreign Ministry of Turkey on January 22 stated that "The Greek Cypriot side has thus demonstrated that it does not favour a settlement to be reached through direct negotiations and that it will persist in undermining even the most genuine efforts for such a settlement".

An evaluation of these positions requires a consideration of the background to the high level meeting, of its course and further

#### Background

Cyprus, has, since 1974 been divided. The division was brought about by the armed forces of Turkey which in the course of an invasion forcibly separated the Greek Cypriot from the Turkish Cypriot population of Cyprus and have remained in occupation of the northern 37% of the area of the island ever since.

Repeated calls from the United Nations General Assembly and Security Council for all foreign troops to withdraw from Cyprus were ignored, and in November, 1983 the occupied area of Cyprus was declared an "independent state".

This development, dangerous both for peace in Cyprus and the region, aroused immediate and definite international reaction. The United Nations Security Council took the rare step of stating that were secessionist actions not rescinded it would consider taking urgent and appropriate measures, and in the same resolution (550) requested the Secretary-General of the United Nations "to undertake new efforts to attain an overall solution to the Cyprus Problem".

#### Proximity talks

In accord with this and previous U.N. resolutions, the Secretary-General held an extended series of talks with the President of Cyprus and the Turkish Cypriot leader between August and December, 1984. At the end of these series of meetings, the Secretary-General considered that enough progress had been made to justify calling a meeting between the President of Cyprus and the Turkish Cypriat leader for direct negotiations to be held instead of the proximity talks" in which up to that the Secretary-General had talked separately to the two sides.

During the period between the end of the proximity talks on December 12, 1984, and beginning of the high level meeting on January 17, 1985, the Cyprus Government maintained a stance of coutious optimism and restraint, avoiding any comments on the substance of the negotiations process as had been requested by the U.N. Secretary-General.

At a press conference on December 22 President Kyprianou summarized developments as follows:

After the conclusion of the third round of proximity talks in New York i talked about cautious optimism. As I have already stated, this is perhaps the first time since 1974 that some optimism is justified. But there is still a lot of distance to be covered in order to reach an agreed framework of a solution to the Cyprus problem covering all its basic aspects."

Statements by the Turkish side before the high level meeting

President Kyprianou maintained this restraint despite numerous statements from the Turkish side which were by no means calculated to promote a constructive atmospere. The Foreign Minister of Turkey was quoted as saying (Reuter's despatch, January 15) that Turkey would still keep some troops in Cyprus following any settlement between the Greek and Turkish Cypriot communities

Since the crux of the Cyprus problem is to ensure the withdrawal of foreign troops so that the Cypriots can live free from foreign interference within a constitutional framework they will themselves formulate, this was a particularly worrying statement.

Another worrying phenomenon before the meeting were certain statements by Mr. Denktash about what he expected at the meeting. For example on January 6 (Kribris Postasi) he repeated: "Since my return I have been repeating one thing. The draft at

the agreement prepared in New York cannot be changed. Not a single word or a comma in it could be changed."

This was a paradoxical statement because in New York there had been progress, a closing of the distance in views between the two sides, but not agreement. Part of the documentation which had come out of the proximity talks was a document entitled "agenda" or "preliminary draft agreement". But the documentation before the high level meeting included other documents as well. And before an agreement could be reached solutions had to be found for outstanding important problems. The prospect of their solution at the high level meeting was in fact what gave rise to guarded

#### Purpose of high level meeting

In view of statements by the Turkish side such as the ones quoted, and others, the Cyprus Government repeatedly sought clarifications from the U.N. Secretary-General and the Secretariat and from various interested Governments, And there were repeated assurances that the purpose of the high level meeting was to negotiate

At a press conference on December 19, 1984, the U.N. Secretary-General was asked:

"There seems to be some disagreement between the two sides to the Cyprus question about the precise nature of the meeting which is to take place here in New York on January 17. Is this going to be a negotiating session, or in your estimate is this something different? The Secretary-General had replied:

"As you can imagine, I do not see the meeting as a mere formality. What I expected from the meeting is a constructive discussion in which the parties will present their views on my

The Cyprus Government received assurances about the purpo of the high level meeting from responsible sources. And the documentation which had come out of the proximity talks itself specified that negotiations had to take place at the high level meeting. The texts which were the documentation for the high level meeting, and which Mr. Denktosh later insisted should be signed virtually as they stood, themselves specifically refer to negotiation at the high level meeting. For example, in the document entitled "Agenda" and "Preliminary draft agreement" it is provided that territorial readjustments additional to the areas referred to in the Turkish proposals of August 5, 1981, would be agreed at the high level meeting and that the extent of these readjustments and the number of refugees who would return to their homes would be defined in the agreement that would emerge.

On another crucial issue, the question of the withdrawal of foreign troops, there is specific provision in one of the documents before the high level meeting, that the timing of the withdrawal of foreign troops would be discussed at the high level meeting.

With all these facts and assurances before it the Cyprus Government went to the high level meeting despite Mr. Denktosh's public statements. It was clear that there had been progress during the proximity talks which gave rise to guarded optimism. And it was also clear that much work remained to be done during the high level meeting before an agreement could be reached.

The high level meeting in New York In his opening statement at the first session of the high level meeting Mr. Perez de Cuellar indicated what was to be done during

The Secretary-General said (U.N. Press Release CYP/85/1

Nicosia, January 18, 1985): "I have with me the documentation that we worked on during the proximity talks and to which I referred in my report on December 12. To move from this documentation to the condusion of an agreement is the responsibility that now has to be faced. We all know that work needs to be done in order to accomplish that task within the outlines elaborated during the proximity talks."

President Kyprianou praceeded to indicate how he considered the move should be made from the existing documentation to an agreement and his view of the work which needed to be done. This was in accord with his acceptance of the documentation presented by the Secretary-General as a basis for negotiations aiming at a

#### comprehensive overall solution to the Cyprus problem. Mr. Denktosh refuses to negotiate

Mr. Denktosh insisted that what the Secretary-General had referred to as "documentation" and "outlines" should be signed immediately, with, at the most, the filling in of some dates, and that all the substantial unclarified issues should be relegated to commit-

And for four days, Mr. Denktash opposed any negotiation on the outstanding issues and paradoxically insisted on the immediate signing of the incomplete documentation which had come out of the proximity talks. President Kyprianou could not of course have signed these incomplete documents. As he indicated later (Press Conference, Nicosia, 26-1-1985):

"You would be the first to criticize me if I signed something and I was not in a position to tell you what I signed. For instance if I signed and you asked me, 'Mr. President on the territorial issue, what did you accept' my reply would be 'I do not know'."

And on the same occasion, President Kyprianou explained that there had been progress during the proximity talks, but progress which had not yet led to agreement on crucial issues:

"Because there was no agreement reached regarding the timing of the withdrawal of troops. There was no agreement on that matter because it had not yet been discussed. There was no agreement on the issues of guarantees, the territorial issue and the fundamental freedoms.

Mr. Denktash's insistence at the high level meeting that the incomplete documentation be signed immediately and all outstanding issues relegated to "working groups" was contrary to one of the provisions in the preliminary draft agreement he wished to sign.

The relevant paragraph of the text indicates that working groups would be set up in the light of political decisions to be agreed upon at the high level meeting so that the details of the agreement may be elaborated. This is an entirely reasonable provision, for what would have been the consequence of relegating ittees important issues such as the question of Turkish troop withdrawal and international guarantees? Well if they had not been solved at a high level meeting they certainly would not have been solved at committee level. They would have remained unsolved, with Cyprus divided, and the Turkish troops continuing to occupy part of Cyprus.

The Secretary-General, after the failure of the high level meeting to reach agreement due to Mr. Denktash's refusal to negotiate outstanding problems, (Interview to Gordon Martin of the BBC, January 24, 1985) naturally denied that an agreement was available before the parties at the high level meeting. The documentation they had before them, he said, reflected the interests of each side and contained elements which reflected flexibility from both

It must be remembered that the Security Council's mandate was, correctly, for an averall solution to the Cyprus problem. An agreement on certain constitutional issues which could not specify a time-table for the withdrawal of foreign troops from the island, would certainly not have been an overall solution.

Unfortunately, at the high level meeting, the Turkish side, for reasons best known to them, demanded the signing of an incomplete set of documents which had come out of the proximity talks without the slightest change and without any discussion or negotiation. That is why there was no agreement at the high level meeting.

#### Conclusions from the meeting

The high level meeting was unfortunately not able to overcome the difficulties and arrive at an agreed comprehensive framework for the solution of the Cyprus problem.

But the fact that the meeting did take place has convincingly demonstrated that with concerted international effort, and the sustained efforts of the Secretary-General of the United Nations, progress is possible.

President Kyprianou stated at the end of the meeting: "We do not regard the effort of the Secretary-General as having ended. On the contrary, we have agreed with him today formally and fully that he should continue and we are at his disposal to do whatever we can on our side.

The Secretary-General himself, at the end of the talks said:

"I believe that in the search for a solution of the; Cyprus question the gap has never been so narrow, and there is need to persevere. Accordingly, and as the parties are ready to continue their direct contacts within the framework of the good offices mission entrusted to the Secretary-General, I will remain in touch with both sides with a view to their meeting again at a joint high-level meeting, if possible before the end of February, 1985."

The Greek Cypriot side has every reason to want an early solution of the Cyprus problem. This position has been repeatedly stated by the President of the Republic, the Government of Cyprus and all the major political parties.

President Kyprianou during the New York meetings, proposed the setting up of a high level meeting to deal with the following four fundamental issues:

a) the withdrawal of non-Cypriot troops; b) the territorial aspect;

the question of the three fundamental freedoms:

d) the question of guarantees.

He has repeatedly stated his readiness to respond to Mr. de-Cuellar's invitation to a new high level meeting and to discuss in a constructive spirit the outstanding substantive issues.

It is to be hoped that a similar will will be shown by the Turkish side and that it will desist from creating new barriers in the path to an agreement, keeping the way open to a dialogue in a spirit of good will so that a framework can be arrived at as soon as possible for a fair and lasting solution to the Cyprus problem which would put an end to the hardships of all the people of Cyprus and lay the foundations of a peaceful, prosperous state.

The narrowing of the gap already achieved points the way for international efforts during the next few weeks. Progress has been achieved, and the gap has been narrowed in important respects. For those interested in a solution to the Cyprus problem the course is clear. To work on closing the gap on those issues which are still

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## Incentives Have Made Country an Offshore Business Center

1970s Cyprus was not on the map cles Michaelides, the central bank's ed to outside Cyprus, that no fi- A year after offshore legislation lems. Some managers complain has seen Cyprus feeling its way in sentatives have raised their compeas a business center," said Sophoexchange control officer. "Now no scrious company can fail to take it into account."

What put Cyprus on the map was its decision in the months following the Turkish invasion of the north in 1974 to boost foreign-exchange revenue by promoting the island as a center of business and financial services to the Middle East. In the years that followed, businessmen took advantage of the island's geographical position as a European country on the doorstep of the Middle East, especially after the Lebanese civil war reduced Beirut's attraction as a regional opera-

The incentive to set up in Cyprus was its legislation, which gave offshore companies a special status, being considered nonresident for exchange-control purposes. The benefits include corporate taxation at 4.25 percent, one-tenth the normal rate, while offshore branches managed from abroad are totally tax exempt. No further tax is paid on dividends to beneficial owners, while half the normal tax rate of 60 percent is levied on earnings of foreign employees of offshore com-panies and only one-tenth is levied on foreign employees living outside

Moreover, offshore companies are protected by a nondiscriminatory legal system that clearly sets out the rights and obligations of

By Kerin Hope

prus are credited with providing

the original cuttings for some of

champagne in France, Madeira, af-

ter Portuguese settlers moved into

the island, and even Hungarian to-

The island's robust xynisteri

mavro, are still going strong

white grape and its black equiva-

today. Cyprus produces more than 200,000 tons (181,440 metric tons) of grapes annually of which about

130,000 tons are used for winemak-

ing. That makes the Cypriots one of

the world's largest per-capita wine producers, although they are only

noderate drinkers of wine. The

Cypriot national drink is a light

brandy produced entirely for do-

LIMASSOL - The vines of Cy-

1,000 Cyprus pounds (\$665). Offshore entities are also alboom of the 1970s and the benefits munications in the region. As one mation,

ported funds and, for companies, were 2,600; today, there are more base and outdated telex facilities the establishment this year of a paid-up capital will be at least than 3,000. Half of them originate that can only transmit at half the department within the bank to act lowed transit rights, including the from the Middle East, predomicent to about 6 percent. Red tape authorities. warehousing and repacking of nantly Lebanese, who have found can be a problem, too. The papergoods in Cyprus as long as the goods are re-exported without any change in their customs tariff clasters such as Bahrain. They also find Arab embassies, which makes getsification. Initial interest was an educated labor pool, a low crime shown by British businessmen, who rate, available housing, good sought to take advantage of the oil weather and some of the best com- system, while adequate, lacks auto-

Learning languages in a Nicosia hotel training school.

Cyprus exports more than 2 mil-lion gallons (over 7.57 million li-ters) of sherry to Britain annually.

The Corek Cyprical contents and a series to the social annually and the social annually and the social annually are valued at \$1.7 million

"We need to spend more money in 1992."

"We barely cover our costs in

exporting red wine to the Soviets, but that's better than having to

store a surplus," said George Chris-

todoulou, marketing manager at

Keo, one of the island's four major

wineries, which are all located in

the southern port city of Limassol.

The government is trying to re-

duce the surplus and boost exports

of bottled table wine by persuading

the island's 30,000 wine-growing

families to experiment with new

types of grapes imported from Western Europe. Upgraded Cyprus wine could then compete with Ital-ian and German varieties in mar-

kets like the United States and Ja-

At present, Cyprus exports only

Winegrowers Seek Appellation Contrôlée

The Greek Cypriot catering trade in 1983. in London remains a stable market

for Cypriot table wine. Sherry ex-ports could be threatened by Spain's upcoming accession to the

European Community. But wine

industry officials say they are con-

fident that Cyprus sherry can re-

tain its market share in Britain.
In 1983, total wine exports

reached 8.7 million gallons and

earned 17.2 million Cyprus pounds (about \$25.8 million) in foreign ex-

change. The island's biggest export customer is the Soviet Union. Sales

of wine in bulk have risen from about 300,000 gallons in the

mid-1970s to 4.6 million gallons in

1983, representing 41 percent of total wine exports. In addition, al-

most 6,000 tons of a locally dis-

nance will be raised locally, local was enacted, 86 companies had that the 20-percent surcharge on all what was, after all, a new venture expenses will be covered from im-signed up. This time last year there Cypriot phone bills over a minimal in Western Europe and North speed of modern machines can solely as the link between the off-America, and most of the rest are raise "taxation" from the 4.25 per-shore companies and the Cypriot ting visas for Middle East countires difficult, and the Cypriot banking

on advertising in the United States

and developing better marketing techniques there." Andreas Petron-

das, a senior official at the Com-

Cypriot growers are trying out

more than 70 new grape varieties. They are also being encouraged to accept stricter control over viticul-

ture with a view to producing wines

to a standard like the French appel-

Cyprus table wine already has a

good reputation for consistency be-cause of the small number of winer-

ies on the island and a tradition of

fortified dessert wine first pro-

duced by the Crusaders in the 13th

century, is still the island's only

appellation contrôlée. Made from

grapes grown in a group of 12 vil-

according to Turkish Cypriot offi-

But their vines are now begin-

ning to produce, and an agreement

was signed earlier this month with a West German firm to build a win-

ery in the Karpas peninsula, in the extreme north of the island.

"The winery will be equipped

with West German machinery, and

the West Germans also will provide

the know-how; we intend to be-come wine exporters ourselves in

the next couple of years," said Ayfer Said Erkmen, an economist

at the Turkish Cypriot Planning

But Commandaria, the sweet

merce Ministry, said.

lation contrôlée.

strict quality control.

rosé wines.

for the island. The next step will be now international experts in donsolely as the link between the off-

The comparatively low dropout registered companies are dormant - and the continuing number of applicants suggest that Cyprus is offering what the offshore market

Those companies taking advan-

NICOSIA — "Until the late shareholders and directors. What of having personnel in Cyprus in970s Cyprus was not on the map s a business center," said Sophothat their activities will be restrict.

Shareholders and directors. What of having personnel in Cyprus inthey five like there have been administrative permanent tourists in Cyprus.

There are, however, some probThere are, however, some probThere are, however, some probble taxation, legal planning and the formation of companies. Forwarding agents have also benefited, and Cypriot banking has had an in-

But where the banking system rate - about 10 percent of the has shown limitations is in its domestic lending policy. Planners say that this has not been a major restraint on development, as the fault lies mainly on the demand side.

- CEORGE COATS

# Swift Recovery Lives Next to Stagnation

(Continued From Page 7)

effort is to attract high technology and export-oriented investment. The incentives include the Larnaca Free Zone, a 10-year tax holiday for those who introduce a product not yet manufactured in Cyprus, and other projects aimed at mod-emizing machinery and encouraging private companies to merge and

But so far, results have been modest despite a real increase in manufacturing investment of 15 percent last year. Only one company has moved into the free zone and electronics and computer manufacturers have yet to appear on the scene. One of the problems is that, with unemployment now down to around 3.5 percent, labor availability is tight, although planners point to a pool of 1,500 unemployed graduates.

The new projects are vital to the south's economy. Forecasts for 1986 put the value of exports at about 418.9 million Cypriot pounds, way behind imports, which are expected to total 826.1 million pounds. After including invisible earnings and agricultural exports of 108.1 million pounds and with petroleum products amounting to 20 percent of import costs, next year's payments deficit is expected to come to about 65.2 million pounds.

But if the south has its economic problems, the Turkish Cypriot north is in worse shape. Inflation last year reached 70.72 percent, and while the dominant agricultural sector grew by 7.7 percent in real terms over 1983, manufacturing declined by 6.3 percent. As in the ages on the slopes of the Troodos range, it is aged in oak casks and south, the economy is heavily influenced by external factors. But while the Greek Cypriots were able

after 1974, the north was tied to a rapidly declining Turkish econo-

my.

The importation of Turkey's practices moriband public-sector practices as a way of getting factories and hotels expropriated from the Greek Cypriots started again has acted as a brake on private initiative. Also imported was Turkey's rampant inflation, while Turkey's corresponding high interest rates acted to siphon off Turkish Cypriot capital.

Further, the embargo on the

north by the internationally recognized Cypriot government in the south has complicated trade in such previously dominant areas such as Kyrenia and Famagusta. Turkish Cypriot planners say

that their economy is only kept afloat by large amounts of Turkish aid, and they agree that the only growth points in their economy are the inflation rate and the budgetary and balance-of-payments deficits. But the Turkish embrace, although unavoidable, has been too tight for comfort.

Plans to sever the link with the Tarkish lira have been mooted for years, only to be shelved, planners say, whenever there is an apparent move toward a Cyprus settlement. But if prospects for a settlement have inhibited the development of the Turkish Cypriot economy, these economic problems have also contributed to Turkish Cyptiot interest in a settlement.
Turkish Cypriots know that their

per-capita income is one-third that in the south. And despite a theoretical minimum wage, they know the reality of between 15,000 and 20,000 Turkish liras a month (about \$42 to \$55) is less than onesixth of that paid across the border. The planners have looked into the future and, as things now stand, it

## tilled spirit, zivania, is exported to Working Up an Appetite in a Country Where Byzantine Methods Are Best

experiment on meze a delicious medley of hot and cold appetizers found at tavernas throughout the

In more leisured times, mezedhez, as they are known in the plural, took all night to consume, with dishes arriving in the intervals of drinking and conversation. Today also, they are best appreciated slowly.

Meze is familiar in different guises in Greece, Turkey and Leba-non. Thasos Ioannou, a Nicosia taverna owner and the island's scholar of the cuisine, believes it is a survival from the days of the Byzantine Empire. "Byzantine cookery forms the basis of much European cuisine today; it spread all over the eastern Mediterranean before the Crusaders took it back to France."

At his taverna, Mr. Ioannou includes mezedhes that were popular in medieval Cyprus. One intriguing example is a dish of stewed green peppers in a dressing that includes

coriander and garlic.

But modern Cypriot meze is disand hiromeri pork, and a range of is afelia, a neck-of-pork stew pre-

Haloumi, a soft white cheese that recalls mozzarella, is served grilled, often on top of a thin slice of lountza, a smoked pork fillet. It is often accompanied with shavings of hiromeri. cut from a leg of pork marinated for 40 days in a mixture of sea salt and red wine, pressed under millstones and smoked for

The dips are familiar from elsewhere — taramosalata, pink fish roe mixed to a smooth paste with breadcrumbs, olive oil and lemon iuice; melitzanasalata, a puree of eggplant; and tahini, ground seame seeds mixed with garlic, cumin, ol-ive oil and lemon juice. Next come the omelettes, which in Cyprus consist of gently stirred combina-tions of eggs and vegetables, nota-bly wild artichokes or wild asparagus. Fresh mushrooms are served grilled or sauteed in butter and sprinkled with broad-leaved Medi-

terranean parsley. Later come samples of main dishes; rich tomato-based casseroles of meat and vegetables known tinguished by the island's unique as yiahni, which are the basics of specialties, such as haloumi cheese Cypriot cooking. Not to be missed

its bank

Cyprus, since the baginning of history has been an important con-ercial centre in the Eastern Mediterransen: for almost a hundred years law, the Bank of Cyprus has enhanced this long, proud tradition.

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leadership with experience

NICOSIA — The best way to egg dishes cooked with wild vegeta-learn about cuisine in Cyprus is to bles. pared with red wine, onions and ground coriander seeds. Another pork stew includes kolokassi, a kind of sweet potato.

ture cooked like a kebab.

sharp-scented island variety that an entire winter. It rivals Parma Cypriots squeeze on everything, even fried eggs.

of lamb marinated for several hours in oil and lemon juice and cooked over embers in one of the domed clay ovens that stand outside tavernas and homes.
"It's named for the brigands who used to rustle a lamb and bury it.

roll, which is dried in the sun.

There are grills, too — spiced sausages, miniature lamb cutlets and sheftelia, a ground-meat mix-Meze is invariably accompanied with a dish of lemon halves, the

The other national dish is kleftiko lamb ("robbers' lamb"), joints

But Turkish Cypriot vine growers who moved north in the 1976 exchange of populations took both the xynisteri and marro vines with them. Heavier soils and hotter temperatures in the lower-lying north at first raised problems for growers,

Then they lit an innocent-seeming fire on top, which cooked the underground joint." said Paris Christofides, a cookery expert who runs a hotel in the mountains of southern Cyprus. Local sweets are Turkish delight

the best comes from the village of Yeroskipou - and soujoukos, which requires much patience to make. A threaded string of walnuts or almonds is dipped repeatedly into a thick cream of boiled grape juice until it produces a long chewy

- KERIN HOPE Bureau.



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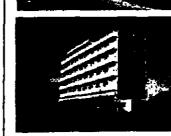
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CYPRUS BEST HOSTS

Fine La Of Left Tops L Handic

LEFKARA — in Jacemakers of Lefkar in twos and threes ar chatting as they emi cloths, placemats an complex, elegant desi ancestors learned c from Venetian ladies.

Lucemaking and si kept this southern pastel-blue houses roofs prosperous for a one can remember. L to travel throughout suicases filled with Today, the customer tourists who are on th high-quality handiera Lefkara lace, a con cutwork and satin-st

dery, is prized for its a formal moulfs. Tradition were developed by the island's Venetian rules their summers in Lefk: Middle Ages. The government is white cotton thread makers, women of a

earn the skill at home "My eyes are still g work live or six hours a difficulty. said Eleni 73, who started embros than co years ago. She was working on cloth decorated with nigne "river" design t more than a year to

will sell for more th smaller tablecloth w decoration costs aroun placements and napki about \$25 each. About a dozen silve

GEORGE COATS

STEVEN J. DRY weekly column on th Herald Tribune. He and The Boston Glob KERIN HOPE is ANDRIANA IERO

sho containutes to th Times and The Wash

CYPRL

The Cyprus

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The Authority public a modern and

A SPECIAL REPORT ON CYPRUS

## Fine Lace Of Lefkara Tops List of Handicrafts

s Cento

LEFKARA — In winter, the lacemakers of Lefkara sit grouped in twos and threes around a stove, chatting as they embroider tablecloths, placemats and napkins in complex, elegant designs that their ancestors learned centuries ago from Venetian ladies.

Lacemaking and silverwork have kept this southern hill village of pastel-blue houses and red-tiled roofs prosperous for as long as anyone can remember. Lefkarans used to travel throughout Europe with suitcases filled with lace for sale. Today, the customers are mostly tourists who are on the lookout for high-quality handicrafts.

Lefkara face, a combination of cutwork and satin-stitch embroidery, is prized for its natural colors and the rich, intricate texture of its formal motifs. Tradition has it they were developed by the wives of the island's Venetian rulers, who spent their summers in Lefkara in the late Middle Ages.

The government now imports unbleached Irish linen and fine white cotton thread for the lacemakers, women of all ages who learn the skill at home.

"My eyes are still good, so I can work five or six hours a day without difficulty," said Eleni Kapravami, 73, who started embroidering more than 60 years ago.

She was working on a large tablecloth decorated with an elaborate zigzag "river" design that will take more than a year to complete. It will sell for more than \$600. A smaller tablecloth with simpler decoration costs around \$80, while placemats and napkins sell for



Tourists examine Nicosia copper handiwork.

Lefkara lace designs are also used in the filigree work known as trifourenia. Thin threads of silver wire are twisted into delicate flower and leaf shapes and then worked into settings of solid silver. Spoons and forks are cast in old-fashioned

Cypriot silverwork is reasonably priced, and Nicosia silversmiths also specialize in copies of ancient and Byzantine pottery and metal-work. Gold jewelry is also a good buy since 18-carat gold is available at prices normally paid for 9-carat

in Western Europe. The island's other traditional crafts, rugs and weavings, pottery, leather goods, woodcarving, bas-kets and copperware, are all displayed and sold at the Ministry of Commerce and Industry's handi-

work in the village, all specialists in dozen workshops set around a several weeks earlier than Italian producing chased silver trays, cenflower-filled courtyard where about 50 artisans work or train in about \$5.1 million. Wines and spirspoons and pastry forks, which are different crafts. The center was set traditional wedding presents in Cyup 10 years ago with the aid of the United Nations Development must earned \$25.8 million. Fund and the International Labor Organization to rescue disappear-

ing crafts and provide work for refugees from the north of Cyprus. "At that time, the center filled both a practical and a psychological need to keep people occupied and preserve crafts from their homes in the north. Now we also research folk arts and find ways of adapting traditional crafts to coneodoulou, the center's administra-

tor, said Woven cushion covers, curtains and bedspreads in brilliant striped reds and bright bands of yellow white and green are based on traditional designs from northern Cy-

From the south come the paphitika embroideries, striking geomet raft center in Nicosia.

ric patterns in bright colors woven
Visitors can wander through a on the loom on white cotton fabric. Last year, a new showcase for Cypriot handicrafts opened with the Laiki Yitonia (literally folk neighborhood), a two-block pedes-

trian area within the old walled city of Nicosia. Traditional two-story houses with dark wooden balconies and shutters have been restored as handicraft shops and centers, cafes and tavernas. Artisans can also be watched at work there, from lacemakers to an icon painter and mo-

Cyprus tailors, skilled craftsmen of a different kind who can make a classic three-piece suit in imported English fabric in just 72 hours.

# Moving Mountains to Get In on the Potato Boom

Turkish Cypriot sector, and agricultural produce received the same preferential treatment as Greek Cypriot exports. A Greek Cypriot campaign in Brussels brought stricter application of the rules, but Turkish Cypriot farm exports still find their way into the community, often via Turkey.

Agricultural produce is one of the island's lew indigenous raw ma-terials, and its high added value makes the sector important for

Farming contributes 11 percent of gross domestic product in the south and 34 percent of export earnings. More than 60 percent of agricultural exports go to EC countries and the remainder to the East ern bloc and Arab states.

Citrus earnings totaled about \$20.25 million in 1983 and exports of table grapes, which reach the British and West German markets its - mostly sold in bulk to the

in the north, the farm sector accounts for 18 percent of gross domestic product and 78 percent of exports, with most going to the EC, Turkey and the Arab countries.

Agricultural carnings from citrus and potatoes and sales of live sheep and goats totaled \$15 million last year. Turkish Cypriot farmers, who introduced vines to the north eight temporary life." Pangratis Hadjith- years ago, also exported 300 tons of table grapes last year for the first time. But in both sides of the island, development of water supplies for irrigation remains the key to boosting agricultural develop-ment. In the north, where 60 percent of residents are full-time farmers, the focus has been on

Agriculture is important to both communities.

in the Morphour and Famagusta dent for future relationships with areas with aid from Turkey.

In the south, where farmers make up just 20 percent of the labor force and two-thirds of them work the land on a part-time basis, sophisticated irrigation projects have increased production of ba-nanas and avocados and encouraged experiments with exotic varieties like kiwi and passion fruit and mangoes. But slow progress toward a long-promised customs union with the EC makes the outlook unirrigate another 1,300 hectares. certain for Greek Cypriot agricul-In the dry stony mountains of ture, while Spanish and Portuguese

"It's very difficult to plan at present; we're in a vacuum because of the situation in Brussels. We fight hard for our quotas but what comes next is guesswork," Mr. Papasolo-

accession will affect both potato

and citrus exports to the con

Greek Cypriot officials blame new lease on life. fears that a customs union with cherries up here; the flight to the recovering dried-out citrus groves Cyprus may set an awkward prece- towns has stopped," Demos Pis-

other Mediterranean countries. Meanwhile, two major irrigation

plans, the \$30-million Paphos project in the south and the \$15-million Pitsilia project on the southern slopes of the Troodos mountain third project, the Vassilikos-Pendaskinos development, near Limas-

the Pitsilia region, 1,730 hectares have been cleared in terraces where vegetables now sprout between knee-high mandarin trees, each irrigated automatically by an individual sprinkler. Water is pumped from 19 artificial ponds scattered around the district.

The project, assisted by the World Bank, has given the area a

the island's political problems for the delay. But they also suspect eties of vine, experimenting with that the European Commission potato growing and introducing

hectares for irrigation. The biggest development of all, the Southern Conveyor project, will be ready by the end of the century.

It will bring water from the Troodos to the red-soil potatogrowing villages in the east, where salination has damaged the existing irrigation network. In an unusual barter deal, the Soviet Union has offered to provide pipes, pumps and expertise for the project in return for vine products. In the north, the Turkish government has con-tributed \$16 million and technical assistance for the Morphou irriga-tion project to divert water to the region's citrus groves. The project

is now two-thirds completed.

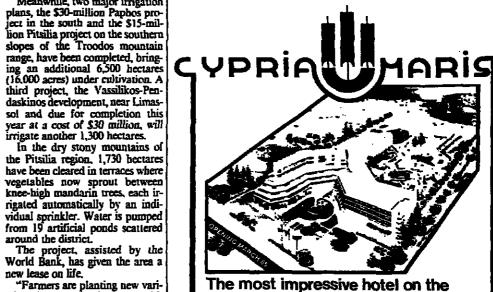
Turkish Cypriot officials also are ficer, said.

The Chrysochou project now under way will open up another 4,000

encouraging mixed farming in the north. Cows graze under the olive trees around Kyrenia on the northern coast and a new dairy plant on the Karpas peninsula is due for completion later this year.

"Development in processing both meat and dairy products for export has become a top priority. said Huseyin Gultekin, presiden of the Turkish Cypriot Farmers' Association. He said a modern slaughterhouse now under construction near Nicosia would be ready for operation "in another few

Now that vines imported from the south have reached maturity. Turkish Cypriot growers look for-ward to producing wine in northern Cyprus for the first time.



west coast of Cyprus.

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#### **CONTRIBUTORS**

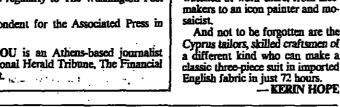
STEVEN J. DRYDEN, a Brussels-based journalist, writes a biweekly column on the European Community for the International Herald Tribune. He contributes regularly to The Washington Post and The Boston Globe.

KERIN HOPE is a correspondent for the Associated Press in

who contributes to the International Herald Tribune, The Financial Times and The Washington Post

GEORGE COATS reports from Athens for The Guardian and BBC.

ANDRIANA IERODIACONOU is an Athens-based journalist





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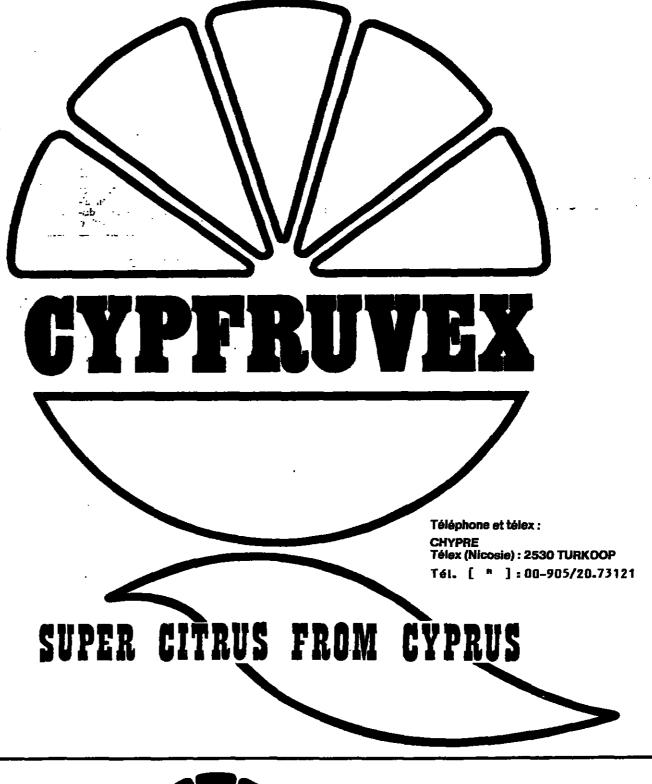
One hundred and ninety seven (197) countries can be contacted by telex automatically and the rest of the world, where this service exists, via the operators.

The Satellite Earth Station "MAKARIOS", with an antenna towards the Atlantic Ocean, has been operating satisfactorily since April 1980 and a further improvement of the international network is the introduction of a satellite via the Indian Ocean Region in 1982 with a Standard B. Antenna. The new Satellite is operating as from October, 1982.

Another Cyprus-Greece submarine Cable System, APOLLO, of 1,380 channel capacity has been operational since the end of 1981, thus increasing substantially the Authority's number of international telephone and telex channels via cable. This is in addition to the "APHRODITE" and "ADONIS" Cable systems of 480 channels each operating already with Greece and Lebanon respectively.

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February, 1985

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tiana Bank) and a t 1114 for Swedish At the launch, th gain for investors:

Beyond the ups at of short-term intern cism of the concept minimum coupon

nor a fixed-rate box will earn a fixed ma relation to their own

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#### **EUROBONDS**

#### Surprisingly Short Life For New Mini-Max Floaters

By CARL GEWIRTZ tional Herald Tribune

ARIS - Fads come and go. But even by Eurobond market standards, where the pace of change is hectic, the popularity of the mini-max floater initiated last week had a startlingly short life. By Friday, the four issues were trading at substantial discounts

- indicating extreme market disfavor with the concept. Mini-max is so called because it corsets the interest cost of the borrower between a minimum (10 percent for Denmark, Commerzhank and Swedish Export Credit; 10½ percent for Christiana Bank) and a maximum charge (11½ percent for Christiana, 11¼ for Swedish Export and 11¼ percent for Denmark and

At the launch, the minimum coupon represented a theoretical gain for investors: The London interbank offered rate was 9½ percent and the margins to

**Eurobond Yields** 

For Week Ended Feb. 20 U.S.S Ig ferm. intl inst. \_\_ U.S.S long ferm, ind. \_\_\_ U.S.S medium ferm, ind. \_\_

ECU short term ......

FLx is term, intil inst. ....

Market Turnover

FLx medium term ....

ECU long term \_

12.23 % 11.08 % 11.17 % 7.43 % 7.34 %

10.32 % 9.32 %

be paid by the borrowers ranging from 1/2 to 1/4-point over Libor -- would have indicated a coupon of less than 10 percent had there been no

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The coupons in fact will not be set for some weeks. And in the meantime Libor has drifted higher, closing the week at 9-15/16 percent. At that rate, of course, the 10-percent minimum is of no appeal as the initial coupon (except for Christiana) would have to be set over 10 per-

Beyond the ups and downs of short-term interest rates, there was widespread criti-

 
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 cism of the concept.
While the relatively high

minimum coupon generates some enthusiasm (the standard minimum on traditional floatingrate notes is 5½ percent), it is not enough to off set the drawback of the maximum rate. Critics argue that any investor willing to accept the possibility of getting locked into the maximum coupon if interest rates soar would do better to buy the outstanding fixedcoupon bonds of these borrowers (except Christiana which has only tapped the FRN sector). Their paper could currently be bought for yields close to or exceeding the guaranteed maximum on the FRNs.

The essential criticism is that the mini-max is neither an FRN nor a fixed-rate bond. It does not appeal to FRN buyers largely banks - who want the assured comfort of knowing they will earn a fixed margin over Libor, which floats up or down in relation to their own funding costs of Libid (the interbank bid

ND it does not appeal to fixed-income investors who currently would be asked to accept a yield of just over 10 percent from borrowers who should pay much more than that for fixed-rate money.

The criticism might have been less vocal if short-term interest rates had not risen as much as they did last week - if the minimum coupon would have represented a comfortable gain over what a normal FRN would pay.

But that was not the case. Bond markets last week heard Paul A. Volcker, the Federal Reserve Board chairman, tell Congress that policy was currently neutral, aiming neither to lower rates nor to raise them. This was not news; it confirmed what the market had already interpreted from the Fed's actions.

But that was followed by news of a one-percentage-point increase in the fourth-quarter rate of economic expansion, now put at a 4.9 percent annual rate. The size of the revision was a

Markets read that as meaning the Fed would be under no pressure to lower interest rates, that the business expansion was m no danger of stumbling and that there was only one direction

for Fed policy to change — namely less accommodation "Money [supply] growth is pushing ahead vigorously with M-1 increasing at an annual rate of 9 percent in January and perhaps more than 10 percent in February," said Henry Kaufman, the noted Salomon Brothers economist. He added: "There is no known law of monetary economics that would suggest that money and credit growth will subside on its own account, particularly given the huge financing needs of the U.S. Treasury and the enlarged credit demands from the private sector that will be associated with real growth of 5 percent, or perhaps higher, in several of the next few quarters."

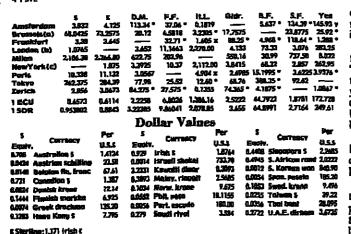
This widely shared outlook cast a pall over bond markets as (Costinued on Page 15, Col. 2)

#### Last Week's Markets All figures are as of close of trading Friday

Stock Indexe		Money Rates		
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	Prev.WR. % Ch'on	Discount rate		
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DJ UHL 149.67	150.25 —0.78	Prime rate	10.50	10.5
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5&P 700 176.02	177.95 — 1. <b>0</b> 8			
\$&P500 179.37	181.60 — 1.23	Discount	5	
NYSE Cp 104.01	105.27 1.20	Call money	6 <del>7</del> 4s	61
Dala from Prudential/Bache Se	CHETTARS.	60-day interbank	6.25	6.3
		West Germany		
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<u>Japan</u>				_
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Wast Comments		Gold		
West Germany		COLU		
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Mon-U.S. indexes from James Co.	ant & Co., Landon.	Releand gold dally from Chibon	هرينار سرناك	s Capel
		. =		-

#### **Currency Rates**

Late interbank rates on Feb. 22, excluding fees.



(a) Commercial franc (b) Ami

(a) Commercial from: (b) Amagus neces of the Villa of 180 (c) Units of 180

## Spain End Gas Rift Madrid to Pay Compensation

Algeria,

PARIS — Spain has signed a 23-year agreement to resume pur-chases of Algerian liquefied natural gas, ending a four-year price dis-pute in which deliveries had been suspended, the Algerian News Agency said Sunday.

Value of the accord, signed in Algiers on Saturday, was not dis-closed. But Spanish sources said Madrid had agreed to pay \$3.84 per million British thermal units, about \$1 more than it was paying under the original contract, but well below the \$5 to \$5.50 that Algeria had originally been seeking.

In addition, Spain agreed to pay Algeria for its failure to take delivery of the 4.5 billion cubic meters (157.5 billion cubic feet) of gas a year provided for by the original

The agency did not say how much compensation Spain would pay, but diplomatic sources put the figure at \$500 million. Algeria also granted a six-year grace period during which Spain would increase gas imports to 3.8 billion cubic meters.

Because its distribution network could not absorb all the gas and because of a decline in demand, Spain took only 1.3 billion cubic meters a year, Spanish sources said.

Several countries, including Italy, France and the United States, suspended or cancelled outright purchases of Algeria's natural gas when it sought to force up the price to rough parity, in terms of BTU content, with crude oil. But Algeria lost much of its leverage in Europe when the Soviet Union emerged as a huge new supplier, and most of the disputes have been settled.

#### ■ Volvo Buying Iranian Oil

AB Volvo's oil trading subsidiary, Scandinavian Trading Co., has agreed to buy \$250 million worth of oil from Iran in 1985, Reuters reported Sunday from

Scandinavian Trading's managclose the price per barrel agreed to in the purchase.

Iranian oil sales to Śweden would total \$400 million in 1985.

## Chesebrough Move Raises Eyebrows

#### Stauffer Merger Seen as Bid to Avert Takeover

By Daniel F. Cuff New York Times Service NEW YORK - Chesebrough-Pond's Inc. is one of the lew companies that get high marks on Wall Street for excep-tional skill in making acquisi-tions. But not so with its latest maneuver.

For decades, Chesebrough Pond's manufactured and marketed such stalwart products as Vaseline petroleum jelly. Pond's cold cream and other home-care and cosmetic products. Then, some 15 years ago, the company started to add such items as spaghetti sauce, tennis racquets, shoes and children's clothes.

Disparate though they were, they were part of a grand strategy that made good economic sense. The acquisition strategy, according to analysts, was to buy what Chesebrough-Pond's considered undermarketed brands and expand them.

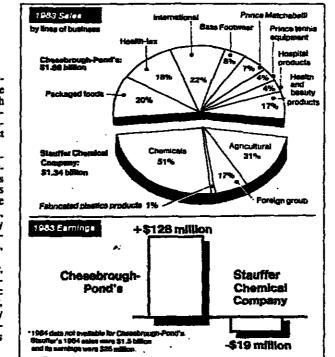
Ragu spaghetti sauce, for example, was a regional brand made in Rochester, New York, when Chesebrough-Pond's took it over in 1969 for \$44 million. Chesebrough marketed the sauce skillfully across the United States. In the first nine months of last year, the company sold \$250 million worth of Ragu.

The diversification strategy allowed Chesebrough-Pond's. based in Greenwich, Connecticut, to continue its enviable record of earnings and dividend growth. Until things soured last year, it had reported 28 consecutive years of increasing profit.

Now, Chesebrough says it plans to add the Stauffer Chemi-

cal Co., but as Wall Street sees it, the proposed acquisition does he bought Ragu 16 years ago and

Combined Sales and Earnings of Chesebrough-Pond's And Stauffer Chemical Company \*



not mesh with the company's

prior strategy.
Analysts size up the Stauffer move as a transparent attempt by Chesebrough to protect itself from being taken over. Analysts said there appeared to be few business opportunities in the proposed \$1.25-billion link between Stauffer's chemical operations and Chesebrough's branded products business.

The latest move comes while the company is still under the stewardship of its acquisition strategist, Ralph E. Ward, chair-man and chief executive. It was Mr. Ward who caused consternation in the board room when

pitted the company against such food giants as H.J. Heinz Co., Campbell Soup Co. and Hunt-

But Mr. Ward made it work and he went on to apply some of the same principles in the acquisition of Health-tex children's clothing, Bass shoes and Prince tennis racquets.

All these products were an odd fit with the company's 80-year-old Pond's cold cream and its Vaseline petroleum jelly, which goes back 115 years. But they had one thing in common: a strong brand name.

So Chesebrough-Pond's be-came a highly diversified, con-(Continued on Page 15, Col. 1)

## **Bank of Boston** Warned of Law, **U.S. Official Says**

By James Sterngold
New York Times Service
NEW YORK — First National Bank of Boston, which has maintained that it was not aware until last year of a 1980 law requiring it to report international currency transactions, was the subject of an extensive examination in 1982 by the Comptroller of the Currency that concentrated on its large cash transfers, the government's chief

bank examiner says. In addition, the bank received at least four notifications from the Comptroller between 1980 and 1984 that the law requiring the re-ports to the government had been tightened, banking officials said.

The law, known as the Bank Secrecy Act, was enacted in 1970 to help the government trace money laundered by organized crime. Two weeks ago, the bank pleaded guilty to a felony charge of hav-

ing failed to properly report \$1.22 billion in international currency

transactions, mostly with Swiss

banks, from July 1980 to September 1984. It was fined \$500,000, the maximum for the offense. At a news conference on Feb. 11, bank officials maintained that the reason the reports were not filed with the Internal Revenue Service was because, when the changes were published in the Federal Register, they were not noticed by bank

tifications of the changes were sent to the Bank of Boston and other

All the notices were addressed to tional transactions.



the bank's chief executive, William

In addition, the comptroller's office received a recommendation from the Treasury Department in 1982 to perform an extended examination of the bank, John F. Downey, chief national bank examiner, said in Washington. The comptroller was asked to look at compliance with the laws requiring reports of large cash transactions, both domestic and international.

That examination took place

officers. The bank on Friday again from September to November said it had simply missed the changes.

But officials in the comptroller's note of the Bank of Boston's curoffice, which regulates nationally rency transactions, "it was a clear chartered banks, said that four no-signal to them that we were were interested in this area." Still, the bank did not file the currency transaction reports for the interna-

## A Dizzying Slide Carries Canada's Dollar Toward 70 Cents

Compiled by Our Staff From Depatcher

TORONTO — The Canadian dollar dropped so low last week that newspaper cartoonists began poking fun at the belea-

the company would resell the oil to Minister Brian Mulroney in an editorial carthe highest bidder but did not diston in The Globe and Mail. "The Queen

wants her face removed from the dollar." Indeed, the value of the currency fell so

pidity of decline.

**NEW ISSUE** 

The currency opened the week at 74.65 percent a week earlier. cents and fell to as low as 71.78 Friday before settling in late trading at 72.1 cents.
The U.S. dollar has been rising against all A finance ministry official said quickly last week that money traders and the world's currencies," said Barry Daven-ordal \$400 million in 1985.

the world's currencies," said Barry Daven-ordal \$400 million in 1985.

the world's currencies," said Barry Daven-ordal \$400 million in 1985.

its key rate at 10.95 perce

to borrow \$500 million from international bankers to add to the government's reserve

still detect a lack of sufficient resolve on the

All these Bonds have been sold. This announcement appears as a matter of record only.

errorms organ posing run at the better eign exchange manager at Wood Gundy Ltd.

Buckingham Palace is on the phone, and the phone, and the phone in an accordance of the sale of the sale

involved 14 million shares by Texac Canada's U.S. parent, Texaco Inc., as part of Earlier in the week, Mr. Wilson was forced a transaction that will allow it to take over another Canadian oil company.

The Canadian dollar has been falling since But one analyst said, "Foreign speculators on the spot market.

November 1976, when it took 97 (cents to get \$1 on the spot market. November 1976, when it took 97 Canadian

February 1985

(UPI, Reuters)

## 7 Firms Acquire Stake in Dainichi Kiko

TOKYO — Seven foreign companies have acquired a total of 160,000 shares, valued at 4.36 billion yen (\$16.6 million), in Dainichi Kiko Corp. a Japanese manufacturer of industrial robots, a company spokesman said

The companies include Baring International Investment Management Ltd., with 40,000 shares, Royal Bank of Scotland PLC, with 30,000 shares, and Phillips & Drew, with 20,000 shares, the spokesman said. He did not identify the other four companies.

The transaction continues a trend of foreign companies acquiring interests in the Japanese robot industry.

## **Orders Rise** For U.S.-Made **Factory Tools**

New York Times Service NEW YORK -- Orders for U.S.made machine tools, a closely watched indicator of economic health, rose 12.1 percent in January from a year ago, the industry's trade association said Sunday.

But the National Association of Machine Tool Builders added that the net orders for January of \$211.9 million represented a 17 percen

drop from December's levels. January is usually a slow month because manufacturers are refuctant to make big outlays at the beginning of the year," said Chris-tine Chien, an analyst with Prudential-Bache Securities Inc. "December is usually strong because people

want to use up their budgets." Analysts said they were still predicting a steady rise this year in orders for the tools, power-driven machinery that cuts or shapes metal, with improvement in the auto-mobile and military industries responsible for most new orders. Miss Chien said she expected or-

ders for metal-cutting tools, which make up about two-thirds of the industry, to climb 30 percent. James A. Gray, president of the tool builder's association, said. "Although we lost about one-quar-

ter of our industry in the last few

years, the machine-tool industry

continues to restructure and rebuild itself from a very modest The industry has been battered by foreign competition and is recovering from record depressed

levels in 1983. "Foreign competition continues to be a major factor, garnering 50 percent of the market in some sectors," said Richard Rossi, an analyst with Merrill Lynch & Co. Shipments for January totaled

\$137.8 million, up 22 percent over January of last year, but down 50

# **5 billion** \$\_30 billion \$100 billion

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enced countertrade advisor. including many top names in the Fortune International 500, over the last 15 years. Send now for our FREE 56 PAGE EXECUTIVE BRIERING Exploring Countertrade Opportunites vius tuli details on our conferences, report



# International

#### At present 55,4% held by the State of the Netherlands Swiss Francs 200,000,000 61/8% Subordinated Bonds 1985 ff Life: until the liquidation of KLM Royal Dutch Airlines

61/8% interest, payable annually in arrears, for a first period of ten years from February 12, 1985 to February 12, 1995. Afterwards, the rate will be adjusted for each subsequent ten year period.

**KLM Royal Dutch Airlines** 

(Koninklijke Luchtvaart Maatschappij N.V.)

## Kredietbank (Suisse) S.A. Nordfinanz-Bank Zürich

Amro Bank und Finanz

Armand von Ernst & Cie AG Banco di Roma per la Svizzera Banque Générale du Luxembourg (Suisse) S.A. Banque Indosuez, Succursales de Suisse Banque Morgan Grenfell en Suisse S.A. Caisse d'Epargne du Valais

#### Clariden Bank Lloyds Bank International Ltd. Banque CIAL (Schweiz)

Crédit Industriel d'Alsace et de Lorraine AG-Fuji Bank (Schweiz) AG Gewerbebank Baden Handelsfinanz Midland Bank Hypothekar- und Handelsbank Winterthur Maerki, Baumann & Co. AG Sparkasse Schwyz

Algemene Bank Nederland (Schweiz) Soditic S.A. BA Finance (Suisse) S.A. Banca del Gottardo Bank in Liechtenstein Aktiengesellschaft Bank of Tokyo (Schweiz) AG

Bank Oppenheim Pierson (Schweiz) AG Banque Gutzwiller, Kurz, Bungener S.A. Banque Scandinave en Suisse Barclays Bank (Suisse) S.A. Chase Manhattan Bank (Switzerland)

Citicorp Bank (Switzerland) Crédit Commercial de France (Suisse) S.A. First Chicago S.A. Manufacturers Hanover (Suisse) S.A. Mees & Hope Finanzgesellschaft AG Nederlandsche Middenstandsbank (Suisse) S.A. Nomura (Switzerland) Ltd. Sanwa Finanz (Schweiz) AG The Nikko (Switzerland) Finance Co. Ltd. The Royal Bank of Canada (Suisse)

## International Bond Prices - Week of Feb. 21 Provided by Credit Suisse First Boston Securities, London, Tel.: 01-623-1277 UNITED STATES AMERICA Prices may vary according to market conditions and other factor RECENT ISSUES Middle Ave Price Met Life Corr ; 160½; 12.55 12.51 7 974, 11.54 11.53 7 97½; 11.70 11.54 9 104½; 10.45 18.77 7 97½; 10.91 7,64 SOUTH AFRICA 20008 ecu 58 \$ 200 \$ 150 ecu 75 1 90 \$ 100 \$ 208 STRAIGHT BONDS All Currencies Except DM **ICELAND** SWEDEN IRELAND **SOUTH AMERICA** SUPRANATIONAL JAPAN ecu 40 African Develop Bant 10% 19 Dec 105%, 12.35 ecu 25 African Develop Bank 10% 17 Dec 101%, 10.34 575 Asign Develop Bank 5% 16 Aug 97 10.89 HIGHEST YIELDS to Average Life Below 5 Years -HIGHEST YIELDSto Average Life Above 5 Years AUSTRIA | 114 | 124 | 125 | 126 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 **SWITZERLAND** HIGHEST CURRENT YIELDS UNITED KINGDOM BELGIUM ### All Missisher Ges X/w ### All Missisher All Missisher All Miss S Genac O/s Florance B Household Florance Intelligence B Household Florance B Hous 1114 99 Jun 994 11.78 11.78 114 99 Jun 994 11.78 115 99 40 r 122 12.59 12 97 Mer 1024 11.81 11.91 13 97 Mer 1024 11.81 11.91 12 97 Mer 1024 12.71 12.45 44 97 Jun 102 12.54 12.75 124 97 Mer 1024 12.72 125 97 Mer 1024 12.75 126 97 Mer 1024 12.75 127 97 Mer 1024 12.75 | The Table | The Color | The 173 Ecs Euro Caul & Steel 175 Ecs Euro Ecanom Com 177 Ecs Euro Ecanom Com 177 Ecs Euro Ecanom Com 178 Ecs Euro Ecanom Com 179 Ecs Euro Ecanom Econ 179 Ecs Euro Ecanom Econ 179 Ecs Euro Ecanom Econ 179 Ecs Euro Econ 1 British Peters Coppil British Steel Corp British France Control Corp Control Counties Prop Control Counties Prop Control Counters Steel Counters Steel Dear Finance For Industry However For Industry 340 Alternitural Co Comeda 340 Auroa Isili cris 25 Avoa Financial Comada cris 10 Bank Of Reli Columbia 3100 Bank Of Medireal 3100 Comedian Interval Bit Comedian 3100 Bank Of Medireal 3100 Comedian Interval Bit Comedian 3100 Bank Of Medireal 3100 Comedian Interval Bit Comedian 3100 Bank Of Medireal 3100 Comedian Interval Bit Comedian 3100 Comedian I | Part | ## 150 Aeroport De Ports \$ 3.30 Aeroport Pronc Com Ent \$ 3.30 Bonsuse Franc Com Ent \$ 3.30 Bonsuse Franc Com Ent \$ 3.30 Bonsuse Franc Com Ent \$ 3.30 Bonsuse Pronc Com Ent \$ 3.30 Bonsuse Indosuse; 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Box 1128, 4000 Düsseldorf 1 International Bond Trading and Sales: Telephone 8 26 31 22/8 26 37 41 Telex 8 581 881/8 581 882 Westdeutsche Landesbank, 41, Moorgete, London EC2R 6AE/UK Telephone 638 6141 - Telex 887 984 WestLB International S.A., 32–34, boulevard Grande-Duchesse Charlotte, Luxembourg, Telephone 4 4741-43 • Telex 1678 Westdeutsche Landesbank, BA Tower, 36th Floor, 12 Harcourt Road, Hong Kong, Telephone 5-8420 288 · Telex 75142 HX FA THE STATE OF TH \$10 New Zestond \$15 New Zestond \$15 New Zestond \$15 New Zestond \$180 New Zestond \$180 New Zestond \$180 New Zestond \$180 New Zestond \$20 New Zestond \$20 New Zestond \$25 New Ze Marketmakers in Deutschmark Bonds West LB Westdeutsche Landesbank

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B: Carl Gew PARIS — Banks cia reek to get into the serv dicated tredit for Eas As a result, the \$150-1 -vinion was to **have b** million and may yet a

"Clearly." admits who does not wa<mark>ant to b</mark> the little is overpriced Germans are paying le the London interbank or te-goint over the pri Even the loan for bank, the Soviet for bank, which had caused what looked like a wi-margin, is to be doub million European Curr (505) million.

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# U.S. Treasu

Stop Issue

For Times Se

NEW YORK — I sury Department says ginning in 1986, it will tiding engraved certificates for governess and bonds.

Although 95 percent sury debt is already entrificate form, with recontained in a computer many individuals still printed-bond certificate form sing itse of paper certificate form sing itse of paper certificates among people freatly from the Federal or the Treasury totes and be securities firms.

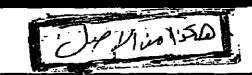
Outstanding notes as will not be affected by be securities firms.

Outstanding notes as will not be affected by program, the Treasury officials chait the book-entry would save the government of 1993.

Continued from Pa

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#### **New Eurobond Issues**

		•			<b>70</b> 2	105405
İssuer	Amount (millions)	Mat.	Coup.	Price	Price end week	Terms
PLOATING RATE NO	TES					<del></del>
Canadian Imperial Bank of Commerce	\$200	2005	limean	100	99.75	Interest pegged to overage of bid and offered rates for 6- month Eurodoffors, reset monthly. Callable in 1986 of par and redeemable in 1995 and 2000. Fees 0.24%. Denomina- bans \$10,000.
Christiana Bank	\$100	1995	1/4	100	98	Over 6-month Libor Minimum coupon 101/% and maintenin 111/%. Noncellable. \$75 million naised now and \$25 million reserved for a 6-month top, Fest 0.49%. Denominations \$10,000. Payable May 15.
Commerzbank Overseos Finance	\$100	1995	14	100	98 <i>.</i> 75	Over 6-month Libor. Minimum coupon 10% and maximum 11%%. Noncollable. Fees 0.75%. Payable May 15.
Denmork	\$250	1995	3:16	100	98.80	Over 6-morth Libor, Minimum coupon 10% and mazimum 11%%, Nancallable, Fees 0.50%, Denominations \$10,000.
Electricité de France	\$300	1997	hbid -	100	99.60	Interest pegged to the bid rate for 6-month Eurodollars, reset monthly. Collable at par in 1986. Each \$10,000 note with 10 verrores. Holders of 20 verrores entitled to exchange until Fab. 1986 a \$10,000 note for 94% each denaminated bands of 1995. Exchange rate to be set Feb. 27. Ecu bands first callable at 100% in 1992, and at 103 if less than 10 million ecus worth of bands is saued. Warrants pruced at \$14 each, finished the week at \$12%. Fees 0.45%.
Kemira Oy	\$ 75	1995	И	100	99.95	Over 6-month Libar. Catable in 1987 at par. Additional \$25 million reserved for a 1-year top. Fees 0.55%. Denominations \$10,000.
Spain	\$375	2005	libor	100	99.80	Interest pagged to the offered rate for 6-month Eurodolfars, reset monthly. Collable at par in 1986. Fees 0.10%. Denominations \$100,000.
Swedish Export Credit	\$125	1992	14	100	98.90	Over 6-month Libor Minimum coupon 10% and maximum 11%s. Nancafable. Fees 0.40%. Denominations \$10,000
FIXED-COUPON						
Engelhard	\$100	1992	1174	99%	96.88	Collable at 101 in 1990.
Copenhagen Telephone	€CU 30	1995	10%	100	_	Sinlang fund to start in 1990 to produce on 8-yr average life
Euratom	ECU 50	1997	10	100	98.25	Collable at 101½ in 1994. Sinling fund to start operating in 1993 to produce a 10-yr average life.
Pechiney	ECU 50	1990	10	100	98.25	Noncallable.
ĒВ	<b>C\$75</b>	1992	12	100%	98.38	Noncolloble. Payable May 29.
BP Overseas Finance	y 17,000	1992	7	100	98	Noncallable.
NZi Overseas Finance	NZS 25	1992	15%	99%		Redeemable at par in 1990.
RQUITY-LINKED			_			
Kao	\$ 70	2000	3	100	97	Semiannually. Callable at 104 in 1988. Convertible at 861 year a share and at 262,60 year per dollar
Onodo Cement	\$ 35	1990	open	100	99	Coupon indicated at 8%. Noncallable. Each \$5,000 note with one warrant exercisable into shares at an anticipated 25% premium. Terms to be set Feb. 27.
Honda Motor	DM 200	1990	open	100	99	Coupon indicated at 31/1%. Noncaliable. Each 5,000-mark note with one warrant exercisable into company's shares at an anticipated 21/1% premium, Terms to be set Feb. 28.
Honda Motor	DF 100	1990	open	100	99	Coupon indicated at 31%. Nancatlable. Each 10,000-guilder nate with 2 warrants exercisable into shares at an anticopat- ed 216% premium. Terms to be set Feb. 27.

#### Phillips Sets New Deadline **For Voting**

BARTLESVILLE, Oklahoma Phillips Petroleum Co. officials, apparently unable to assemble enough shareholder votes to pass their disputed plan to recapitalize the company, have extended the

deadline for shareholder balloting until Wednesday.

The voting was first extended until Saturday, but Phillips delayed it again late Friday because of developments in a court case in Dela-

A company spokesman, speak-ing after the stockholder meeting riday at which the results were to have been announced, said Phillips would use the extra time to lobby more shareholders to vote for the Phillips needs about 78 million

shareholder votes to pass the proposal, and there have been reports that the company is several million votes shy of that. Several large shareholders have said they would vote against the proposal.

Reportedly, Phillips was shocked by the decision of Capital Guardian Trust Co. of Los Angeles which holds about 3 percent, or more than 4 million shares, of Phillips stock — to switch its vote gainst management.
At the stockholder meeting,

many speakers expressed fears that without the \$8-billion recapitalization plan. Phillips would be taken over and broken up by the New York financier, Carl C. Icahn, who is offering \$60 a share for about

A spokesman for Mr. Icahn, who owns slightly less than 5 percent of Phillips, told the 5,000 shareholders at the meeting, "We are not against Phillips. What we are against is the recapitalization.

Under the plan, Phillips' share holders would receive \$60 in debt securities for 38 percent of the shares, \$3.32 market value in a new preferred stock for each common share following recapitalization, and \$50 cash per common share in a self-tender offer.

## Banks Rush to Sign Up for East German Credit

By Carl Gewirtz

PARIS --- Banks clambered last As a result, the \$150-million loan - which was to have been doubled in size — was increased to \$400 million and may yet rise to \$500

who does not want to be identified, "the loan is overpriced." The East Germans are paying %-point over the London interbank offered rate be set at six-month Libor but that or ½-point over the prime rate.

Even the loan for Vneshtorg-bank, the Soviet foreign-trade bank, which had caused a stir with what looked like a very skimpy margin, is to be doubled to 100 million European Currency Units

(\$65.7 million). Vneshtorgbank is paying 4point over the interbank rate for the first three years and %-point over the final four years - a sharp

decline from the 1/2-point margin it

Certificates in '86

New York Times Service

notes and bonds.

securities firms.

NEW YORK - The Trea-

Treasury notes and bonds di-

U.S. Treasury To Stop Issuing had previously paid for five-year \$25 million, to \$375 million. In-money. \$25 million, to \$375 million. In-cluding the commissions of 10 ba-guaranteed FRN for Inco. The 10-

Why banks are jumping into week to get into the seven-year syn-dicated credit for East Germany. onstrated by the latest borrowing conditions for Spain, which has not traditionally been considered a bet-

SYNDICATED LOANS

Spain is issuing floating-rate notes at Libor flat (no margin).

Interest on the 20-year notes will will be reset monthly. This mismatch formula now so popular in the FRN market allows banks to finance their holdings with lower cost one-month money and pick up the one-percentage point difference currently prevailing between the one-month rate and the sixmonth rate.

Although the terms were initially viewed as wildly aggressive, the reable managers to increase the loan

Portugal also benefited from the current climate of high liquidity at international banks. Initially, there was considerable doubt how well Portugal's request for a \$150-million note facility would be received. But managers report that it has been completely underwritten along with a companion \$150-million syndicated credit.

The notes or bank advances will be open to competitive bidding, but if underwriters are forced to take the paper they will earn the same return — %-point over Libor — as offered on the syndicated credit.

Turkey, which had considerable difficulty in finding underwriters for its \$500-million hybrid note facility, last week was able to close the underwriting at the desired lev-

That fee is paid whether or not the banks take the notes. The fees are high compared to what banks currently earn in note placement facilities, but so also — in the view of many bankers - is the risk of

#### NASDAO National Market

sis points, the cost of money to

Spain is a thin 2 basis points over
Libor.

year loan pays interest at 3/16point over Libor — a low cost for
Inco which up to the third quarter of last year has reported a string of to repurchase the notes at par on any interest payment date will be paid an annual fee of %-point over Libor for the first five years and %ant over Libor thereafter

providing the guarantee.

The London branch of Siam Commercial Bank Ltd. has arranged a \$50-million backup certificate-of-deposit issuance facility. The CDs will have maturities of three and six months and will be priced to yield 10 basis points over Libor for the first \$30 million and 15 basis points over Libor for the

Managers also report success in

## **Market Is Cool to New Mini-Max Floaters**

short-term interest rates surged and contributed to a mighty rise in the value of the dollar on foreign exchange markets (further fueled by President Ronald Reagan's relatively poor economic performance of other countries).

sury Department says that, be-ginning in 1986, it will stop pro-viding engraved paper certificates for government This turned out to be a perfect setting for Electricité de France to Although 95 percent of Treasury debt is already in bookentry form, with records mainlaunch its \$300-million FRN con- point by this mismatch. vertible into European currency units. FRNs offer investors the greatest protection against rising tained in a computer system, many individuals still request interest rates and the one-year warprinted-bond certificates. Trearants to convert into Ecu bonds sury bills have not been issued in certificate form since 1979. provide a convenient way to specu-late on a decline in the dollar, Use of paper certificates is which most experts agree is now vastly overvalued. greatest among people buying

rectly from the Federal Reserve and haggling with prospective managers, had knocked the terms or the Treasury, thereby avoid-ing fees charged by banks and same time had lost the momentum funds. Outstanding notes and bonds will not be affected by the new that a new concept would normally

program, the Treasury said. It said it hoped to have the program in place by mid-1986. Treasury officials estimated that the book-entry program would save the government \$46 million by 1993. rate. The pricing is rock bottom as banks who would normally buy ing in 1995. (This means there will FRNs finance themselves at Libid always be \$150 million of the FRN

the EdF paper derives from the fact that the coupon based on the six-

month rate is to be set monthly.
This allows bank investors to fund their purchases by borrowing comment that the gain reflected the one-month money. Currently, relatively poor economic perforthere is a one percentage point difference between one- and six-month interbank rates, allowing bank buyers to earn one percentage

(CIBC is also using the mismatch to attract investors. But it is paying no margin over Limean, the aver-age of the bid-offered rate, which at least assures banks 1/16-point over their Libid funding costs.) There is no guarantee, of course,

on the constancy of this mismatch as the spread between the two rates The only problem was that EdF, could later narrow or even reverse. after months of market soundings A standard feature of financial crises is that the yield curve inverts, making the shortest term money to the bare minimum and at the more expensive than longer term

Each \$10,000 EdF note carries ries no margin, is to be set at the needed to buy the equivalent of six-month London interbank bid \$10,000 worth of Ecu bonds bearing a coupon of 9% percent matur-

outstanding and that a maximum of \$150 million equivalent of Ecu bonds will be issued.)

The exchange rate, to be fixed when the final terms are set on Wednesday, will be at 3 percent below the rate then prevailing. In other words, the dollar would

have to fall 3 percent against the Ecu before conversion would even be worthwhile. In fact, it would have to fall even further to amortize the cost of the warrants (\$14 for the initial 10 warrants and whatever the market will bear for the additional 10 that will need to be bought in the secondary market). And finally, there is an additional implied cost as the 9% per-cent coupon is currently below the prevailing rate.

By contrast, Euratom is offering 50 million Ecu of 12-year bonds at par bearing a coupon of 10 percent and these were quoted at a discount of 1% points.

The package was priced at

10 warrants. To convert, 20 warrants and one \$10,000 note are 99.62, well within the 45 basis points paid as commissions. The warrants got off to a rocky start, falling to \$10½, but ended the week at \$12½ — putting the price on the package at 100.87.

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#### Chesebrough Seeks Protection Through Stauffer Acquisition (Continued from Page 13) sauce. The shoe business "was

sumer packaged-goods company. Then problems began to crop up.

"They've been limping along for the last two or three years," said Joseph H. Kozloff, analyst at Dean Witter Reynolds Inc.

James Waggoner, an analyst at Bear, Stearns & Co., added, "In pricing flex 1984 it all caught up with them." have the be The company, which was formed rial costs."

killed by the strong dollar and the flood of foreign imports," he said, and the "tennis-racquet business was hurt because the market is shrinking. Mr. Waggoner said that when

inflation lost its vigor, "they lost pricing flexibility, and they didn't have the benefit of lower raw-mate-

in 1955 with a merger of the Pond's Extract Co. and the Chesebrough Manufacturing Co., reported last week that its earnings for the year had slipped \$11 million from the In addition, the company last year before, although fourth-quar- was 63 at the time and planning the

ter net was up 23 percent.

management succession.

Mr. Kozloff said that Ragu lost

Mr. Ward, according to analysis.

fall bought back 5 percent of its stock from Carl C. Icahn, the finalmarket share to Campbell's Prego put more responsibility on the divi-



Ralph E. Ward

sion level and caused some strains in those units. "At Health-tex, internal controls fell apart," Mr. Kozloff said, "and in apparel when you've got a foul-up, you've got a problem.

In addition, the company last fall bought back 5 percent of its

seen as "greenmail," a buying-off of an unwelcome takeover attempt. The company also bought a company that it was said not to want, the plastics division of Mr. Icahn's ACF industries.
Those developments "didn't help on an emotional level," Mr.

Kozloff said. Both companies are saying that Stauffer's research and development skills will provide new products for Chesebrough's marketing creativity.

The analysts, however, believe that the main motivation for the deal is to discourage takeover attempts by assuming a heavy debt load that no potential raider would

Why did Chesebrough-Pond's pick Stauffer? Mr. Ward has been a director of Stauffer, which is based in Westport, Connecticut, near Chesebrough's headquarters, for

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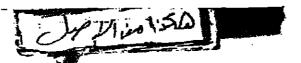
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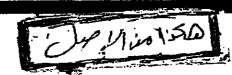
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	HiVid 9.80 10.48 HIVId 9.43 10.41 Short 10.17 NL NY Mu 9.95 10.34 MIT unevail 10.50	OTC Sec.   16.32   17.24   Selected Funds:   Multi   12.59   NL   Police Webber:   Sel Sis   18.42   NL   Nl   United Funds:   Nl   Police Webber:   Albas   B.77   9.38   Seligramon Group:   Bottom   S.58   S.585   Nm   N.   Police Webber:   Albas   B.77   9.38   Seligramon Group:   Bottom   S.58   S.585   Nm   S.585   S.585   Nm   S.585   S.585   Nm	NSSC 350 28 79 17% 17% 17%	Tristci 1012/776 134 134 134 - 54 17/16rrig 1012/776 134 134 134 - 54 17/16rrig 1012/776 134 134 135 134 - 54 10 + 4 127/2 134 134 135 135 136 134 134 135 136 134 134 135 136 134 134 135 136 134 134 135 136 134 134 135 136 134 134 134 134 134 134 134 134 134 134	Unocal, based in Los Angeles, has frequently been mentioned as a potential acquisition target even though it has adopted some of the strongest anti-takeover defenses in the oil industry. Mr. Pickens said
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· · · · · · · · · · · · · · · · · · ·	Inv	11   10000   10.27   N.   Serrio Gr   10.07   N.   ELDS 7 72-3   N.   18.5   N.   Serrio Gr   10.07   N.   ELDS 7 72-3   N.   18.5   N.   ELDS 7 72-3   N.   ELDS 7 72-	C 340 734 734 734 44 P	Treasury Bills	WASHINGTON — Raytheon Co.'s missile systems division won U.S. Army contracts of \$107.2 mil- lion for 145 Patriot missiles, five firing units and ancillary items, and for \$76 million to design, manufac-
	A NITICE TO JUL 20.65 DVGT   19.49 NL   FriedTix 14.22 NL   John Hancock: African 17.37 NL   Indust 4.21 NL   Band 14.14 15.37 Mut 5hr 54.88   Nut 5hr 54.88	Incom a 38 NL 03307   1298   139   03071   1243   NL   Imm   Prudemilas Baches: SoGen in 1518 1570   TC int 2430   NL   Imm   152   1435   NL   Swining 4.60 NL   TC Use 22.78 NL   Imm   152   1435   NL   250	Dricks 85e 5 45 1074 1074 1874 Pomex's 11:	8 5½ 5% 5% 5% 7.27 7.77 10½ 10 10 3.28 7.43 7.57 7.77 10½ 10 10 3.28 7.43 7.57 7.77 10½ 10 10 10 10 10 10 10 10 10 10 10 10 10	ture and test 550 4.2-inch guided anti-armor mortar projectiles, the Defense Department said.
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**DENNIS THE MENACE** 

48 News-item 23 Altar words heading 50 Not so plentiful 52 Siberian river 27 Glen-28 Main 53 Draftees corporeal 57 Liturgy 61 Rant's partner **62** October stone 64 "Beau\_

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63 Stripling O New York Times, edited by Eugene Maleska.

"JOEY'S FOLKS MUST BE AWFULLY POOR. THEY MADE A BIG

FUSS WHEN HIS BABY SISTER SWALLOWED A PENNY."

JUMBLE THAT SCRAMBLED WORD GAME
by Henri Arnold and Bob Lee

OHW MAM A TAHW CAN'T BEAR CHILDREN

UNDOUBTEDLY IS.

Now arrange the circled letters to form the surprise answer, as sug-gested by the above cartoon.

HIGH LOW

Print answer here:

Jumbles: FOCUS BALKY TORRID LEEWAY

Answer: What a hyphen permits you to do— BREAK YOUR WORD

**AFRICA** 

LATIN AMERICA

NORTH AMERICA

-9 16 -15 5
22 72 12 54
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**WEATHER** 

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MIDDLE EAST

**QCEANIA** 

DOWN

2 French poet

16th century

1 Injection

3 Declare

5 Academy

6 Soak, in

7 Serene 8 In the van

4 Got on

#### **PEANUTS**

YOU KNOW, BUILDING A ROCK WALL LIKE THIS IS 600D THERAPY ...

BEETLE BALLEY

THE

ARMY

15

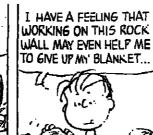
STUPID!

GUARD

DUTY

STUPID!





I'M &LAP TO HEAR YOU INTO THE WALL!

SAY THAT BECAUSE I CEMENTER YOUR BLANKET

BLONDIE FOR PETE'S SAKE, MAKE

WAR

STUPID







I'LL BET THERE'S A SOLDIER LIKE ONE ME IN RUSSIA SMALI WHO'S THINKING DIFFERENCE THE SAME THING











**REX MORGAN** 

HAVING PICKED MARTHA UP AT THE HOSPITAL, KEITH DRIVES TO A QUIET RESTAURANT, BUT CAR HE ASKS HER A QUESTION. YOU'RE NOT Y'M VERY FOND IN LOVE WITH OF YOU --ME, ARE YOU,





GARFIELD











#### NIGHTS AT THE CIRCUS

By Angela Carter. 295 pp. \$15.95. Viking, 40 West 23d Street. New York, N. Y. 10010.

#### Reviewed by Michiko Kakutani

OUD, bawdy and unabashedly sentimental, the heroine of Angela Carter's latest novel is a wonderfully vital creation. Though she is held up as a sort of paradigm of "the New Woman," Fevvers, as she is called, is not your average feminist heroine, or even your everyday circus star, the 6-foot-2-inch, blonde "Cockney Venus" possesses a pair of wings that make the Winged Victory look like a plucked chicken, and a gift for tall-tale-telling

that would cause Scheherazade a tinge of envy.

As Fevvers recounts her life story to a skeptical American reporter named Jack Walser, the following "facts" emerge: She was "hatched," not born, the product of a love affair between a Leda and a swan; she grew up in a London brothel, under the watchful eye of a one-armed madam known as Admiral Nelson; she served a terrible apprenticeship —as a freak on public display — at Madame Schreck's museum of female monsters, and she went on to become one of fin-de-siècle England's most popular celebrities with her trapeze act at a London aightspot.

Bizarre as such events may sound, they soon take on the weight and substance of reality thanks to the author's expert manipulation of point of view and her ability to nail down the wondrous with details that are visually precise. Not only Fevvers, but her whole world - at once mundane and grotesque - come brilliantly into focus. It's like watching the unveiling of a canvas by Bosch.

As she did in such earlier works as "Heroes and Villains" and "The Magic Toyshop." Carter, a British writer, uses her gift for enchantment to create fairy tales with modern morals. In the case of "Nights at the Circus," the moral is at least twofold. The first involves standardissue feminist concerns: how women are used and abused by men, and how their imaginative and intuitive gifts are debased by the rational-ist, male world. The women in "Nights at the Circus" are all victims—as an unusually gifted female, Fevvers, especially, is treated as a freak - whereas the men emerge as either sex fiends or unfeeling dopes. Even nice Jack Walser suffers from the nasty male commitment to togic: he has to survive a string of terrible adventures before he can fall in love with

Solution to Friday's Puzzle

CARLOTA ONALINE
THEBOYSOFSUMMER
IMET EXPEL ERA

RALLY PLAN PRAY
ELUL LEARY RUSI
TIM AUDIT MIST
REBECCADEWINTE

ONEGIRL RANGERS

CABAL WATT ISON SADIE VOW BEREA

**BOOKS** 

Fevvers and appreciate her specialness - that is, accept the marvelous on faith.

17.00

Is Fevvers, as Walser keeps asking himself: fact or fiction? Is her act the real thing or just another confidence trick? In raising such questions, Carter is addressing all those sticky issues about storytelling that are so dear to practitioners of the nouveau roman, but as long as she examines them through the lens of Fevvers and Walser, she avoids being overly preachy.

Unfortunately, as "Nights at the Circus" progresses. Fevvers and Walser become less less important, and Carter's narrative gradually loses both its focus and its drive. Walser, it seems, has become so intrigued by Fevvers that he's decided to accompany her on a worldwide circus tour, and the traveling troupe is soon trekking across the vast prairies of Russia, where it falls prey to shamans and marauding bands of murderesses and bandits. During these travels, we catch only intermittent glimpses of the two would-be lovers. Instead. Carter spends an inordinate amount of time concocting outrageous incidents and giving us sketches of other circus members - the Ape-Man and his sniveling lover, Mignon; Buffo, the Master Clown; his sidekicks. Grik and Grok, and the Human Chicken.

No doubt their problems are supposed to

complement Feyvers, but the oddness of these other characters simply has the effect of making her seem less special, less interesting as a heroine. In the London demimonde, she had been a glorious anomaly; on the road with the circus, she is just another freak.

The world of the circus, of course, gives Carter lots of opportunities to exercise her florid imagination, and there are passages in the second half of "Nights at the Circus" with arresting poetic imagery. For instance, describing a tiger on the loose, she writes, "It came out of the corridor like orange quicksilver, or a rarer liquid metal, a quickgold. It did not so much run as flow, a questing shuice of brown and yellow, a hot and molten death."

This same gift for language, however, has a way of turning mushy, and combined with Carter's penchant for digression, it results in verbal riffs that function not as parts of the overall story but as wordy prose poems, strung together for the sake of effect. This dance was the dance of death," she writes, describing the clowns' requiem for one of their dead. "They danced it for the wretched of the earth, that they might witness their own wretchedness. They danced the dance of the outcasts for the outcasts who watched them, amid the louring trees, with a blizzard coming on."

It isn't just Carter, as narrator, who indulges in such pretentious observations. Her characters, too, have a way of making message-laden speeches, meant to elbow the reader into seeing all the symbolism beneath the embroidered prose. "You might have said we constituted a microcosm of humanity," says a middle-aged tart named Lizzie, "that we were an emblematic company, each signifying a different propo-sition in the great syllogism of life."

Fevvers, too, is somewhat prone to such metaphysical meditations, but she delivers them with such verve and irreverence that we never really mind. As she fades into the background in the second half of the novel we miss her energetic presence, and the balance of "Nights at the Circus" tips from the entertaining to the didactic.

Michiko Kakutani is on the staff of The New

#### **BRIDGE**

By Alan Truscott

I N the methods being used, South's sequence showed a balanced hand with about 23 high-card points and a fivecard spade suit. Four hearts

accepted. Prospects of success were the most of his chances. He two clubs, so three rounds of won the opening heart lead, cashed the spade ace and led to the heart ace. He ruffed dummy's remaining heart high and

drew trumps, The obvious play at this mond ten, hoping to find both it did leave open the possibility missing honors with East. of a defensive coup: If West

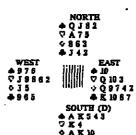
however, by finessing the club have wrecked South's plans by queen. If this had fallen he ducking would have fallen back on the

double diamond finesse. But when the chib queen was a cue-bid suggesting six held he gave himself an extra spades, and the invitation was chance by cashing his last trump and putting pressure on East. That player was forced not very good, but South made down to three diamonds and

Notice that this play would have served as well as the deep diamond finesse if East held point was to finesse the dia- both missing honors. However,

diamonds forced him to lead from the club king at the fin-

South improved his chances had held the chib king he could



South
2 N.T.
3 

6

## **SPORTS BRIEFS**

## 3 Tied for Lead in Doral Golf Tournament

MIAMI (UPI) — Frank Conner shot a tournament-low 67 Saturday to gain a tic at 212 with Tom Kite, the defending champion, and Bill Kratzert after three rounds of the Doral Open.

Jack Nicklaus, Peter Oosterhuis and Mark McCumber were at 213. Kite shot 71 over the par-72, 6,939-yard Blue Monster course. Kratzert, struggling down the stretch, managed 69, and Nicklaus shot 69. Oosterbuis led most of the day, but bogeyed the last four holes to finish with 71. McCumber, who started the round tied with Kite and Gary Hallberg, bogeyed the 18th hole for 72 while Hallberg shot 74 for a 215 total.

Friday, Kite shot 70 to tie McCumber and Hallberg. The key to Kite's round was the par-3 fourth hole, where he accidentally moved the ball as he addressed it for his second shot. That cost him a stroke, but he chipped in from 18 feet for par.

## Money-Losing Cosmos Quit Indoor Soccer

NEWARK, New Jersey (AP) - The Cosmos announced Friday that they are dropping out of the Major Indoor Soccer League after losing \$1.5 million and 22 of their 33 games. But officials said the club would continue to "operate as a professional soccer team." League officials said they would revise their season

schedule to compensate for the withdrawal.

The Cosmos averaged 4,181 in attendance for 16 games at Brendan Byrne Arena in East Rutherford. New Jersey although they drew twice as many spectators on the road. The club said it would continue with plans to present international exhibition games against world-class opponents in Giants Stadium this spring and summer.

#### Writer Arrested on Charge of Booking Bets

ARCADIA, California (AP) — Gordon Jones, a sportswriter for the Los Angeles Herald Examiner who ran seminars on how to handicap horses, was arrested Saturday and booked for investigation of bookmaking, authorities said. Arraignment was set for March 12.

Los Angeles County sheriff's vice officers and Arcadia police arrested Jones, 49, and his daughter, Joanne Jones, 20, at a hotel across the street from Santa Anita Racetrack. Deputy Bob Stoneman said Jones had \$1,503, "in a bunch of different envelopes," in his hands when arrested.

Jones, who has worked for the newspaper 17 years writing handicapping features, also ran a handicapping school at the Santa Anita Inn, police said. Jones was featured in a recent Los Angeles Times article about reporters who make bets at race tracks (IHT, Feb. 21).

Herald reporter Kerry Webster said the newspaper knew about Jones's handicapping seminars. "As I understand it, what was happening was he would have his class bet as a result of their lessons," Webster said. "He would have his class going across

the street and place bets. The trouble was he collected the money outside the race track. The wacky thing was he'd been doing it this way for six years."

#### Raeber Retires From Ski Racing

SCHOENRIED, Switzerland (UPI) - After a season hampered by injuries, Urs Raeber, 26, of Switzerland has retired from ski racing. Raeber won two races last season and won the special World Cup Downhill Trophy.

### Pena Injury **Threatens** His Career

Los Angeles Times Service

VERO BEACH, Florida The cartilage damage in pitcher Alejandro Pena's right shoulder is so severe that his career is in jeopardy, Dr. Frank Jobe, the Los Angeles Dodgers' physician, said Friday. Even if Pena is able to pitch

again, he may have to alter his style and rely less on the fastball that made him one of the dominant right-handers in the National League, Jobe said. Jobe operated on Pena last

Tuesday, and found that his hard-throwing motion had worn out the shoulder joint.
"He'd worn off a lot of cartilage from the rim of the socker, in both the front and the back," Jobe said.

Jobe could not recall treating another big-league pitcher with a similar condition. Pena, 25, completed his second full season with the Dodgers last year. Pena, who led the league with

a 2.48 earned-run average last season, first complained of soreness on Aug. 7. He made only one start in September, pitching only four innings. Jobe, disputing a suggestion

that the Dodgers had been negligent in not operating sooner, said: "I don't think there's anything we could have done that would have changed his COUNTS." Meanwhile Pena, who recent-

ly signed a one-year contract for a reported \$360,000, awaits an uncertain future. Asked whether he were afraid, he said quietly: "A lot. Yealt."

## Cavaliers Overcome Bucks, 128-106

RICHFIELD, Ohio - Even though he did not play, World B. Free took the parting shot in the Cleveland Cavaliers' 128-106 upset

## **NBA FOCUS**

victory over the Milwaukee Bucks Saturday night.
"Milwaukee? They're fat cats.

They probably thought they'd smash us, especially since I wasn't playing. But we showed 'em," said Free, who sat out the game with a bruised and sprained lower back.

Johnny Davis, replacing Free in the starting lineup, scored 23 points to pace the Cavaliers, who had eight players in double figures. Cleveland improved to 20-37 in winning its first game in seven meetings with Milwaukee. The 22point decision was the Cavs' largest

winning margin this season. Elsewhere Saturday, it was New Jersey 111, Detroit 103; Chicago 140, Golden State 125; Washington 123, Houston 115, and Dallas 121, Kansas City 98.

On Friday it was Boston 115, Chicago 105; Golden State 131, New Jersey 127; New York 113, Atlanta 105; Indiana 122, Los Angeles Lakers 113; Philadelphia 110, Detroit 99; Utah 102, Cleveland 98; Dallas 110, Washington 101; Houston 117, Portland 103; San Antonio 118, Phoenix 111, and Se-

attle 133, Denver 123. In addition to losing Free, Cleve-land played Milwaukee without center Lonnie Shelton, who was attending his mother's funeral. And rookie center Mel Turpin left the game in the third quarter with a sprained right ankle.

streak snapped.

"We've beaten Philadelphia lost only three of its last 19 con-



Craig Hodges of the Bucks fouls Mark West of the Cavaliers while going up for a shot in the second quarter.

ch, George Karl. "It was beautiful Roy Hinson, who scored 15 of points for Milwaukee, which has decision.

The Bucks, who continue to lead the Central Division with a 39-18 ly considering our depleted roster. Sidney Moncriel scored 22 of the fourth quarter to seal the

Phil Hubbard added 17 points twice in the last nine days and now tests. The 22-point loss was the for Cleveland and John Bagley had Milwaukee," said Cleveland's coalargest of the season for the Bucks. 14 points and 10 assists. ATLANTIC CITY. N

- Michael Spirites needed

grant Franchis needed

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**SPORTS** 

## **Spinks Retains Crown on TKO**

ATLANTIC CITY, New Jersey - Michael Spinks needed six minutes of play and 62 seconds of work move up to the heavyweights, Saturday to retain his undisputed usighed in at a surprisingly light light-heavyweight title against Da- 170<sup>12</sup>. Sears, who weighed 174<sup>13</sup>.

After losing the first two rounds on two of the judges' cards. Spinks decked Sears with an overhand right early in the third round and pounded away with both hands until referee Larry Hazzard stopped the fight at 1:02 of the round.

"I knew I could bit him with the right from the start," Spinks said after his ninth title defense. "I hit him with the straight right hand right away, but being off for awhile and being in such good condition, I fooled around and wound down."

Spinks improved to 26-0 with 18 knockouts in his first fight in nearly He last defended his 175-pound

ation's second-tanked contender, fell to 16-1-1. Spinks, who is considering a

thought he could take advantage of his superior weight and Spinks's habit of starting slowly.

Spinks needed two rounds to size

up Sears, who scored with several combinations to the head in the first two rounds. Spinks did little in the first

round, although he gave an indica-tion of things to come when he landed a hard right to the head just

Sears late in the round.

At the start of the third round,

Sears began to throw a left hook 31, the former heavyweight cham-(79.5-kilogram) title by winning a but Spinks beat him to the mark pion, ended a layoff of almost two 12-round decision over Eddie Da- with an overhand right and Sears fell face first to the canvas. Sears took a six-count, and round in Detroit.

pounded him in a neutral corner,

Using left hooks and right up-percuts, Spinks peppered the flati-ing Sears to the head until Hazzard broke the fighters but let the action continue. Spinks resumed his at-tack, and after a brief two-handed flurry to the head, Hazzard separated the fighters again and stopped the bout.

"I was looking for it, but I was on my own offense at the time and he came back with the right," Sears said of the knockdown punch.

Spinks, 28, won the WBA title with a 15-round decision over Eddie Mustafa Muhammad, on July his back to the ropes, Spinks stunned Sears with a chopping right to the head. The shot brought Spinks to life as he sent labe as

It was the second victory in three days for the brothers Spinks, Leon. years Thursday night when he stopped Lupe Guerra in the fourth



Michael Spinks catches David Sears with a right in the second round of their fight.

# For a Man of Peace, McGuigan Is Becoming Quite a Fighter

Compiled by Our Staff From Dispatches of the year, winning two fights against weak oppo-BELFAST — Barry McGuigan is an Irish-born nents. Since then he has not looked back. fighter who holds the British and European featherweight crowns, and who moved a step closer to a world title fight Saturday when he scored a 10-round points victory over the former World Boxing Council champion. Juan LaPorte, at the Kings Hall.

As he won his fight here in Northern Ireland, both Catholics and Protestants were rooting for him. That is because when McGuigan gets into the ring, civil

McGuigan likes it that way. A Catholic married to a Protestant, he has been outspoken in the cause of

"They should let me do the fighting," he says. "I believe that peace is our only hope."

Although LaPorte, from Puerto Rico, was the most experienced fighter he had faced in winning 24 of 25 professional bouts, the 23-year-old McGuigan's biggest fear was the memory of just how devastating his own punches can be.

In a fight in London in 1982 he knocked out a Nigerian fighter, Alima Nustafa, with a flurry of blows to the head. Nustafa never regained consciousness. He survived on a life-support system for several months but, after he was taken back to Nigeria, the system was disconnected and he died. That prompted hate mail

By defeating a name lighter such as LaPorte, McGuigan and his supporters hope he will become well enough known in the United States that he cannot be denied more bouts against top competition. If so, his fans are convinced, he will take his place in the long line of great Irish fighters, stretching from the bareknuckler Dan Donnelly through John L. Sullivan to Gene Tunney.

There also are those who say that McGuigan has had a sheltered career and that without the backing of the Belfast fight crowd he will be just another boxer with no chance of winning the same accorded Donnelly, whose mummified arm is preserved in a glass case in a barroom in Kildair.

McGuigan dismisses such talk. "I have challenged them all." he said. "I have said I'll fight wherever they want me to. I'm not afraid of fighting outside Belfast." He is also the ranking contender for the British Commonwealth crown, but so far has not been able to

Ghana, or the World Boxing Association champion, Eusebio Pedroza of Panama. McGuigan was born in Clones on the southern side of the Irish border on Feb 28, 1961. His father, Pat, was a one-night-stand singer and was constantly away that added to McGuigan's already deep distress.

The support of his family and his manager, Barney
Eastwood, helped him return to the ring before the end

from home on the dance-hall circuit. Too young and too far away to become really interested or directly involved in the civil strife of the era, McGuigan took

up boxing at the Smithboro Club down the road from third in the super-featherweight division, was soundly his home, and became single-minded in his pursuit of beaten by the Irishman, who is ranked fourth in the

As McGuigan works to live up to the latter nick-name in the ring, he strives to end the real bombings that have marked the Catholic-Protestant conflict. If the talk in the bars and on the streets is any indication, he is at least doing his part. Discussions recently did not focus on bombs or politics. Rather, the issue was how tickets for the light could be found.

It seems unlikely that a boxer can affect deep-rooted sectarian hatreds, but when McGuigan entered the ring at Kings Hall, the cheers from the crowd might have given skeptics pause. He entered following a blue-and-white United Nations flag and carrying an

"If I can make people a little more aware of the get a fight with the WBC champion, Azumah Nelson desire for peace by all sides in Ireland by carrying the flag of peace," he says, "then that is my contribution.

That is the best I can do."

Against LaPorte, in a light televised in the United States and Britain, McGuigan defied an early cut to. hopefully, set up a showdown either with Nelson or Pedroza.

LaPorte, a New York-based fighter who lost the title to Wilfredo Gomez last year and now is ranked

Now, he gets support from both sides of the border, which has led to two nicknames. In Ireland he is the Belfast Bomber.

Deacen by the Irishman, who is ranked fourth in the world. The victory was McGuigan's 19th straight, 20 coming by knockouts. LaPorte, 25, who weighed 127% pounds to McGuigan's 127, now is 25-6.

McGuigan was country to the Irishman, who is ranked fourth in the world. The victory was McGuigan's 19th straight, 20 coming by knockouts. LaPorte, 25, who weighed 127% pounds to McGuigan's 127, now is 25-6.

McGuigan was caught only twice. He tried to mix it in the middle of the fifth round and Laporte landed a stiff, short right that shook the Irishman. Laporte followed up but McGuigan weathered the attack and even got through with a stinging left hook of his own near the end of the round.

Laporte, who held the world title for nine months, hurt McGuigan with a right hook in the ninth, but the European champion had the wit to avoid the follow

Apart from those two brief moments of anxiety, McGuigan dominated his opponent to a remarkable

Laporte, who has never been knocked to the canvas during a career that includes six fights against world champions, was rocked by a right hook in the last minute of the fight, but had the stamina to hold out. British referee Harry Gibbs raised McGuigan's for Edmonton.
hand after the bell. The victory was by 99 points to 97.

"Good fighters bring out the best in me," said 3:06 on Lou Fra

McGuigan, who had a small nick by his right eye and another on his nose. "I don't think I've fought better. from a shot by Scott Stevens.

"He [Laporte] is a very nice man, a gentleman. He was a very, very slick opponent." (NYT, AP, UPI)

Paul Coffey skated down the left streak to 10 games.

## **Oilers Get 2 Late Goals** In 3-3 Tie With Capitals

By Robert Fachet

Washington Post Service EDMONTON, Alberta — The Washington Capitals were two goals ahead with less than 17 minutes left in regulation time, and were preparing to celebrate a rare

#### **NHL FOCUS**

victory over the Edmonton Oilers Saturday night.
Instead, they settled for a tie.
Jari Kurri and Mark Napier

scored two minutes apart to even matters for the Oilers, and, despite some great chances on each side during a five-minute overtime peri-

od, it ended that way.
It was the second 3-3 result here this season between the National Hockey League teams with the two best records. Each time the Oilers came from behind in the third period to frustrate the Capitals, who have won here only once in six

The Oilers beat the Capitals, 8-5, on Nov. 9, in their only meeting this season at Washington's home rink in Landover, Maryland.

Saturday's game, which may well be a preview of the Stanley Cup final, left Edmonton with 93 points, the best total in the league and 12 points better than Washing-

In other NHL games Saturday, it was Calgary 5, New Jersey 1; Toronto 4, Detroit 2; the New York Islanders 7, Boston 1; Los Angeles 2. Hartford I in overtime; Montre-al 6, Winnipeg 4; Quebec 7, Van-couver 5, and Pittsburgh 3, Minnesota 1.

On Friday, it was Edmonton 6, Quebec 3; St. Louis 4, Buffalo 1; the New York Rangers 8, Pittsburgh 3, and Minnesota 4, Chicago

The first period of the Oilers-Capitals game produced tight checking on both sides. Each team scored a goal out of an official total of six shots for Washington, two

The Capitals moved in front at 3:06 on Lou Franceschetti's second goal of the season, off a rebound



side, drawing most of the defenders to him, and then put a rinkwide pass on the stick of Pat Hughes.

In the second period, the Capi-tals took a 2-1 lead while Glenn Anderson was in the penalty box for kneeing Franceschetti. Bobby Carpenter scoted at 11:14, his 45th goal, off feeds from Stevens and Mike Gartner.

Each team took 11 shots in the period, and Washington goalie Pat Riggin made a couple of excellent saves. He thwarted Hughes's breakaway backhander and he stopped Wayne Gretzky circling out from behind the net.

Edmonton goalie Andy Moog stopped both Franceschetti and Greg Adams on attempted jams from behind and he made a good save on Gartner after Franceschetti set him up in front.

At 3:09 of the third period, Gartner's 39th goal raised Washington's margin to 3-1, off a twoon-one break Gaetan Duchesne and Carpenter assisted.

The Capitals were given little time to celebrate. A Gretzky pass from behind the goal line found Kurri open in front, and he beat Riggin for his 59th goal at 3:36. It gave Kurri 113 points, matching his

Hooks catching Dixon at the finish

line. After the photos were studied,

Brisco-Hooks was declared the

er in an American record tim of 52.63. Dixon was given a time of

### SCOREBOARD

# NHL Standings Aderms Division 30 21 10 70 234 203 28 18 12 68 255 226 26 25 8 60 218 214 d 20 32 7 47 203 257 CAMPBELL CONFERENCE Herrita Division 15 28 21 10 66 227 217 1 27 30 4 59 235 224 16 17 33 11 45 206 244 15 39 7 37 191 267 Tendral Plateland Platela Chicago Detroit 43 12 7 93 318 212 30 24 7 67 279 24 30 24 7 67 279 24 27 23 11 45 271 253 18 35 8 44 211 311

FRIDAY'S RESULTS

St. Louis 2 2-4 Beffolip Paplaneski (17), Hickey (7), Federka (21), Wilson (6): Andrevchuk (26), Sheis on Seal: Sl. Louis (on Sazve) 6-18-7-23; Buffolo (on Warnsley) 5-6-12-23. N.Y. Rongers

Plifsburgh 7 3—3 Sundstram 3 (16), Ruotsoleinen (21), 5. Pat-rick (10), Brooke (6), Greschiter (71), Feb-berg (13); Shedden 2 (30), Lemleux (27), Shots

#### European Soccer

WORLD CUP QUALIFYING
Buropean Groop Two
West Germany 2, Portugol 1
Points Standings: West Germany, Portugol
6: Sweden 4: Czechoslovakia 2; Maria 0,
Mext Meriches; March 27, West Germany vs.
Maña; April 26, Malika vs. Czechoslovakia;
May 1, Czechoslovakia vs. West Germany;
June 5, Sweden vs. Czechoslovakia,

ENGLISH FIRST DIVISION Sheffield Wadnesday 1, Walford Arsengi & Manchester United 1 Arsangi & Manchester United 1
Coventry City 1, Chelsas 0
Leicester City 1, Everich 2
Liverpool 2, Stoka City 0
Newcostle United 1, Luton 0
Northagham Forest 2, Southamenton 0
Guesse Pork Rangers 1, Sundertand 0
West Bromwich 0, Tottenhom Horisour 1
West Hom United 1, Aston Villa 2
Points Standless; Everton 52; Tottenhom
St.; Manchester United 42; Liverpool 45; N 51; Monchester United 48; Liverpool 45; Not-tradhom Forest 45; Sheffield Wednesdov, Ar-send, Southampion 43; Chelsed 49; Aston Vil-la 37; Norwich 36; West Bromwich 35; Queens

la 37: Norwich 32: West Bromwich 35: Queens
Pork Ramers 34: Newcostle 33; West Ham
37: Watford. Leleaster 38; Sunderland 29;
Coventry 28: Issewich. Lutem 22: Stake 12.
FRENCH FIRST DIVISION
Metz 1, Touten 0
Sochoux vs. Noncy, postponed
ITALIAN FIRST DIVISION
Ascoll 2. Aveiling 2
Cremonese 0, Automa 0
Fierentino 0. Semaderia 3
Inter 1, Torina 1 Florentino & Samedol Inter 1, Tarino 1 Juventus 1, Verono 1 Napoli 4, Lazio 0 Roma 8, Millon 7

Udinese 4, Como 1 23; Florentina, Napoli 20; Afaio ilno 18; Como 17; Udinese 16; Ascoli 13; Lazia

#### Transition

BASEBALL CHICAGO-Signed Ozzle Guillen, shortstop, no a one-vear contract. NEW YORK—Signed Clay Christia Jim Deshales, Alshansa Pulkia, pitchers: Mike Pagliarvia, third baseman, and Vic Mata, putfielder. Signed Bert Bradley, Kelly so Pulldo, pitchers: Paulk, Mark Silva and Kevin Hickey, plich-

ers, to minor league contracts, patient League LOS ANGELES—Reached contract agree-ments with Franklin Stubes, first becomes-outfletder, and German Rivera, third boss-

mera. NEW YORK—Announced that Howard Johnson, inflelder, and Wes Gardner, pilitier, nave agreed to terms on one-year contracts. SAN FRANCISCO—Signed Dan Gladden, putflejder, and Jeff Robinson, bilither, to one-

ckey	
Pittsburgh (on Vanblesi	prouck) 12-17-13-4
Chicago	ð 1 <b>8</b> -
Missoesofa	211
Glias (4), Payne 2 (23)	Berslund (5); Oil
zyk (14). Shots on good: C	hicano (en Beguera
11-4-5-21; Alinnesata (c	n Pans) 11-6-5-2
Duebec	8 1 2-
Edmonton	3 2 1-
Kurri (50), Nopier (14)	
(25), Gretzky (61), Hugh	
Lemieux (9), Maxwell (7)	
bec (on Moos) 11-9-15-	
	-25; Consortion fo
Gosselin) 12-15-8—35. SATURDAY'S	A
Terente	1 • 3-
Detroit	2 0 ←
Anderson (17), Solmir	
Terrion (10); Gare (16),	
on and? Towards Inc Cin	less i 0.17.11 71 · De

CoFontaine 2 (15), Bossy (49), Tonelli (3) Gillies (11), B.Sutter (37), Jonason (12) Crawder (24), Shets on goal: Boston (a Smith) 8-13-9-30; M.Y. islanders (a Smm) 8-13-9-31; N.Y. Islanders (a Pacters) 7-14-11-32. Los Aagetes 0 1 8 1-Hartford 0 8 1 6-Kelly (8), Dionne (36): Fenton (2), Shots o gadi: Los Angeles (on Liut) 8-9-11-4-32; Hori ford (on Janecyk) 6-5-9-32.

rord (on Jonecys) 6-5-9-22
Pittsbursh
Rinnesseta
Lemieux (28), Honson (1), Rissing
Povne (24), Shefa en saet: Pittsbursh
Recuere) 8-5-21; Minnesseta (on Rome
T2-11-21-4
Wasshiepton
3 0 3

Francischetti (2), Corpenter (45), Gartner (39); Hughes (9), Kurri (59), Nasier (15), Saes es eset: Woshinston (an Aloaci 6-11-7-2-28; Edmonton (an Riegin) 2-11-7-1-21. 2—28; Edmonton (on Riogin) 2-11-71—71. Wilmings I 3 6—4 Montree! I 3 6—4 Montree! I 3 2—4 Noskund (33), Geinev (13), Nilion 2 (17), DeBlois (9), Kurvers (18); Smill (21), Picard (18), Carivie (13), Hawer-Chak (17), Shefts en geel; Wilmings (on Hoyward) 9-16-15—41.

Yeacureri (8), Lernleux (18), Cote (12), A. Stashny (22), P. Stestny (28), Gillis (11), Kumpel (6): Nesty 2(14), Gradin (21), Halward (5), Sundstrem (18). Soots on goal: Quebec (on

words) 8-9-14--31.

42. 1	NBA Stand	ings					
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ey.	New Jersey	28 29	A91 17				
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	Detroit	32 25	.561 7				
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<b>-</b>		CONFEREN	ÇE				
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-1	Portland	25 31					
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rŀ	LA Clieners	22 34	393 1715				
	Golden State	13 4	228 27				
-3		'S RESULTS					
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1	Philodelphia		5 28-110				
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Johnson 8-20 3-4 19, Long 8-15 1-1 17, Compbell 6-85-7 17. Rebosads: Detroil 39 (Loimbeer 8), Philodelphio 54 (Barkley 18). Assists: Detroit Philiodelphia 54 (Barkle 25 (V. Johnson 15), Phili ), Philiodelphio 23 (Toney 9). 28 34 36 33—137 New Jersey 27 39 25 26-127 Short 13-26 8-11 35, Floyd 12-15 7-9 32; Bird-

A HEAD UP -- Arsenal's Viv Anderson heads ball over Manchester United's Jesper Olsen. United won, 1-0.

Short 13-26 8-11 35. Floord 12-15 7-9 37; Birdsons 14-21 4-6 32. Dowkins 12-14 4-9 38. Rebesseds: Golden Stote 27 (Short 19), New Jersev 47 (Sminski IS), Assists: Golden Stote 22 (Wisson 7), New Jersev 37 (Richordson 15).
Chicago 25 21 34 35-165
Bird 14-28 0-0 34, McHale 9-16-9-24; Jordan B-18 10-12 26. Woolridge 7-15-47 18, Corzine B-13 2-3 18. Rebesseds: Chicago 47 (Johnson 19).
Boston 50 (McHole, Perish 11), Assists: Chicago 24 (Jordan 7). Boston 34 (Johnson 12).
New York 23 39 22 39-113
Affanta King 15-29 5-6 35, Cummings 11-17 4-0 22; | Neety 2 (14), Gradin (21), Holword (3) | Neety 2 (14), Holword (3) | Neety 2 (14), Holword (3) | Neety 2 (14), Holword (3), Krumm (19), Quinn 2 (14), Hillsson (30); Megater (6), Storts an goal: Calsary (an Kampouri 1)-13-32; New Jersey (an Edwards) 8-14-31.

Basketball

	Abdul-Jobbor 10-14	8-15 28, E.	Johns	on 6-9 4
	22 Rebounds; Los A	ingeles 49	(Rom	bis. Abd
	ut-Jobber 7), Indian	a 53 (WIII	lams.	Stipono
	vich 8), Assists: Lo	Anceles	26 (E	Johnso
	11), Indiana 33 (Sic	hime 12).		-
3	Utah	28 2	¥ 27	23-10
2	Cleveland	30 2	<b>5</b> 23	27 9
5	Boiley 12-23 3-3 27.	Grillith 9	2433	Zl: Hut
•	bard 7-16 5-10 19. Fm	ee 7-21 3-4	18. R	ebounds
,	Utoh 64 (Eaton 15)	Clevelon	d 66 (	Hubbar
2	11), Assists: Utoh 24	(Green 9	. Cle	reland 2
	(Free 7).	•======		

Majone 9-17 2-2 29, Robinson 6-12 2-2 14. Re-bounds: Washinston 46 (Mahorn 10), Dailas 45 (Vincent, Nimphius 8), Assists: Washington

#### Selected U.S. College Scores

Columbia St. Brown 56
Dartmouth 75. Princeton 59
Northeostern 76. New Hornest
Pear 52. Harvard 51
Yale 75. Cornell 61
page
Colorade FRIDAY'S RESULTS

Montana 63. Idoho 51. 62 Montana 51. 79, Weber 51 SATURDAY'S RESULTS

Brown 63, Cornell 68
Bucknell 77, Lofsyette 75, OT
Contistus 77, Boston U. 68
Ducuesne 62, Penn 51, 61 George Washinston 71, 5t. 1 Georgetown 68, Connecticut Holy Cross 66, Fordhorn 62

#### Tennis MEN'S TOURNAMENTS

Ellot Tettscher (2), U.S., det. R Ellof Teitscher (2), U.S., dei, Ramesh Krish-non (6), India, 42, 64. Kevin Curren (3), South Africa, def. Bud Schultz, U.S., 62, 64. Anders Jarryd (1), Sweden, def. Peter Fleming, U.S. 7-6 (7-5), 6-0. Wolfets (Fibol. Poland, def. Gene Mayer (5), U.S., 6-1, 1-6, 6-4.

Kevin Curren (3), South Africa, def. Eliot Teilscher (2), U.S., 6-3, 6-3,

(Al La Quinte, California) Grep Holmes, U.S., def. Jimmy Connors. Pata U.S. det. Aaron Krickstein, U.S. 6-1. 2-6. 6-L

Larry Siefunki, U.S., del. Greg Haimes (14). U.S. 64, 64, 63, David Pare. U.S. def. Libor Pimek (9), Czechoslovakio. 74 (8-6), 64.

(Af Oakland, California) Quarter finals Zina Garrison, U.S., det. Barbara Potter,

U.S., 7-5, 4-6, 6-1.
Helang Sukawa, Czechoslovakla, def. Andrad Temesvari, Hungary, 7-6, 6-2.
Hans Mashalikawa, Czechoslovakla, del. Wendy Tumbuli, Australia, 6-3, 6-4.
Chris Evert Llavd, U.S., def. Claudia Kohde-Klisch, West Germany, 6-3, 6-2.
Semificais Chris Evert Llava, U.S., def. Zing Sorrison.

U.S. 6-3, 6-2. Hona Mandilkova. Czechoslovakia, 6 Helena Sukova, Czechoslovakia, 6-4, 6-0.

#### 13). Assists: Denver 35 (Lever 7), Seaftle 36 SATURDAY'S RESULTS

Thomas 8-142-7 19. Rebounds: New Jersey 61 (Williams 20), Detroit 59 (Laimbeer 21), As-

26 (Thomas 17).

Milheustee 39 26 21 29-186
Cervisiand II 31 25 42-128
Dovis 7-13 9-11 22, Hinson 7-16 5-5 19; Moncrief 8-16 6-8 22, Cummings 9-21 1-3 17, Rebonds: Alliveoustee 67 (Cummings 12). Cleveland 51 (Hinson 8). Assists: Alliveoustee 16 (Prestey 6). Clevefond 28 (Boyley 10).

Goldes State 31 32 29 32-125
Chicage 36 26 42 36-160
Jordan 15-29 8-9 38. Woolridge 11-17 4-4 26;
Flord 9-15 7-10 25. Short 6-18 11-12 23. Rebonds: Golden State 48 (Smith 9). Chicago 41 (Greenwood 10). Assists: Golden State 17 (Floyd, Wilson, Conner, M.Johnson, Snote 17 (Floyd, Wilson, Conner, M.Johnson, Snote 2)

Gervin 14-25 4-4 32. Allichell 17-27 5-6 30; hounds: Dolles 54 (Nimphius 13), Konses City Nance 13-218-2 54. Edwards 8-138-0 16. Adams 47 (Transson 10), Assists: Calles 41 (Davis 6-44-416. Rebounds: San Antonio 65 (Moore 7), Phoenix 49 (Nonce 11). Assists: San Antonio 28 16 85 24-122 18 (Moore 7), Phoenix 27 (Moore 5), Phoenix 28 19 36 48-122 19 36 48-122 19 36

Penn 99. Doitmouth 76
Pittsburgh 58, Beston Coll. 55
Princeton 52, Hervard 45
St. John's 88, Syrocuse 53
St. Joseph's 71, Rufgers 57
West Virginia 76, Rhode Island 67
Yole 55, Columbia 52 SOUTH Alabama 81. Vanderbiit 56 Alabama St. 77, Grambiina 59

Alcorn St. 70, Texas Souths Autom 69, Alississippi 57 Auburn 69, Alississipol 57
Duka 67, Georgia Tech 62
E. Kentucky 76, Alurray 51, 70
Louisiona St. 61, Fiorida 59
Memphis St. 81, Fiorida 59
Memphis St. 81, Vo. Commonwer
Morth Corolina 64, Clemson 57
South Aleborna 80, Ato.-Birminel
Tennessee 79, Alfassipol St. 64
Tulona 64, SW Louisiona 53
Virginia Tech 87, Fiorida 51, 75
Alibres 51

Dayton 72, Marquette 59 DePaul 87, La Salle 40 Indiana St. 77. W. Texos St. 64
Iowa St. 82. Oktahoma St. 67
Konsos St. Oktahoma 76
Konsos St. 76. Colorade 67
Konsos St. 76. Colorade 67
Kons St. 76. Ohio U. 66
Michigan 75. Michigan St. 73
Milesauri 66, Nebraska 55
N. Dokota St. 89. N. Colorado 70
Northwestern 78. Iowa St.
Notre Dame 67, Brightom Young 58
Ohio St. 72. Illimola 64
Orel Roberts 80. Dehrolt 70
Purdue 72. Indiana 63
Wichita St. 75. Broatev 45
SOUTHWEST indiana St. 77. W. Texas St. 64

Boyler 88. Houston 84

Boll St. 92, Migml, Obio 81

Texas Tech 58, Yexas A&M 50 Tulso 79. Droke 56 Air Force St. Howali 54
Arizona 57, Oregon St. 52
Arizona St. 65, Oregon At. OT
Colorado St. 75, On Olego St. 72
Lona Beach St. 75, Son Olego St. 72
Lona Beach St. 75, Nov Mexico
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N. Arizona 50, Idona 75
Netvodo-Los, Vegas 81, UC Santa E
Sc. Colifornia 75, Colifornia 52
Texas-El Paso 79, New Mexica 6
Weshington 68, Washington St. 55 FAR WEST

Louislano Tech 109, Arkansas St. 67

#### Tobogganing

EUROPEAN CHAMPIONSHIPS (Al Soralevo, Yugoslavia) Final placines offer four heats: 1. Nico Baracchi, Swifzerland, 3 minutes 35,98

Syconds
2. Andreos Schmidt, Austria, 3:37.50
3. Urs Vescoll, Switzerland, 3:38.28
4. Michael Grunberger, Austria, 3:39.17
5. Macrilla Thaler, Austria, 3:39.27
6. Alfred Martial, Austria, 3:39.97 8. Erich Graf. Switzerland, 3:41,76 9, Fronk Filokowski, West Germany, 3 10, Jochen Reiter, Austria, 3:4273 11, Roland Wirth, Switzerland, 3:4200

## Brisco-Hooks, Dixon Each Set 2 Marks

By Randy Harvey
Las Angeles Times Service

NEW YORK - Diane Dixon Defroit 28 28 25 26-100 and Valerie Brisco-Hooks have Williams 8-12 9-14 25. Richardson 9-21 6-7 24. been stepping on each other's shad-Birdsong 10-21 4-7 24: Lalimbur 12-27 7-8 31, one a lot lately, which could only ows a lot lately, which could only lead to one thing. They got on each

other's nerves. For that reason, some say, they were running in different events Friday in the national indoor championships before a crowd of 14,358 at Madison Square Garden.

So what happened? Not only did they both set world indoor bests, they both did so During the morning preliminar-

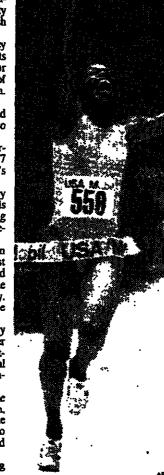
ies, Dixon ran 440 yards in 52.77 seconds, breaking Brisco-Hooks's three-week-old mark of 52.99. Brisco-Hooks followed that by running 220 yards in 23.08 seconds in the preliminaries, bettering

Chandra Cheeseborough's threeyear-old best of 23.25. In the evening finals, Dixon again broke the world indoor best in the 440 by running 52.20, and Brisco-Hooks then ran 22.95 in the 220 for her second mark of the day. Thus, once again, neither had the

Actually, Dixon did literally have the Garden spotlight on her for a minute, when she was present-ed with the Olympic gold medal that she did not receive last summer in Los Angeles.

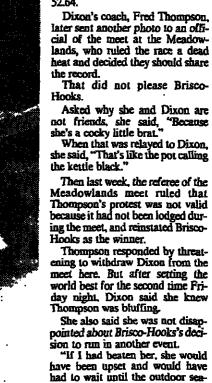
As an alternate member of the victorious 1.600-meter relay team. she ran in the semifinals but not the finals. Only the four women who ran in the finals received their gold medals at the Coliscum. Who was she filling in for during the semifinals?

Brisco-Hooks Their difficulties began this year at the Millrose Games here in January, when Dixon beat the favored Brisco-Hooks in the 400 meters with a time that would have been considered an American record if the timer had not malfunctioned. Brisco-Hooks, who won three



Valerie Brisco-Hooks

Olympic gold medals last summer, then broke the world record in the two weeks ago in the 400 at the Coghlan, 12.59.56. Coghlan had won 16 straight in 1. 440 in Dallas and the 500 in San Their race was a classic, Brisco- his last loss in 1981.



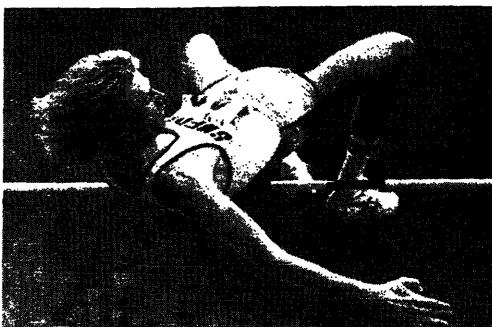
Brisco-Hooks was conciliatory. "I was really happy for Diane," she said of Dixon's Olympic medal ceremony. "Without her and Den-ean Howard," she said of the other 1,600 relay alternate, "I don't think we would have it. I never would have gotten that third gold medal."

son to get back at me," Dixon said.

door season. Boy, have 1."

"I've had enough of her this in-

In an upset in Friday's meet, Doug Padilla ran a 12:57.15 in the



BEST IN HIGH JUMP — Patrick Sjoberg of Sweden setting a world indoor best in the high jump Friday night. Sjoberg cleared 7 feet, 9% inches in a track and field meet in West Berlin, bettering the 7-9% set in February 1984 by Carlo Thraenhardt of West Germany.

## Star Wars' Acronym Gap

By William Safire v an acronym? Plenty. In areas form an acronym. of public controversy, propagan-

second SALT (strategic arms limi-like "security guard," is redundant. tation talks) treaty as "fatally flawed." They came up with a fresh acronym: the strategic arms reduction talks, acronamed START.

The trick in acronaming is to istration find a suitable and catchy find a series of initial letters that spell out a pronounceable word. MBFR, the interminable negotiations in Vienna about Mutual and Balanced Force Reduction (which rightists remember in derision as "More Better for Russia"), is not an acronym. MBFR is pronounced as a series of letters, not a word. Acronyms applied after the fact

of naming an organization or program can ridicule the activity named. The Law of the Sea Treaty advocates did not recognize the time bomb ticking in the treaty's name; when the selected initials came out LOST, the opponents who considered it all to be a powergrab by the Third World had a

Imagine the chagrin of the Reagan people, so sensitive to the nu-ances of implanting "sell" in program titles, when the president announced his idea for a defense in space against missiles, and the no-tion was headlined as "Reagan's Star Wars Proposal." The application of the movie title to the futuristic defense was buttressed by the president's earlier use of the phrase evil empire" to describe the Soviet Union's imperialism, which seemed identical to the "empire" lined up against the good guys in the George Lucas films.

Grimly, Pentacrats jettisoned the phrase that had been used by the program's early defenders - High Frontier — which comes down to the acronymic HIFRON, no competition for Star Wars. Instead, bureaucrats, in what can be charitably called a holding action, described the idea as Strategic Defense Initia-

tive, or SDI; this phrase has not ASHINGTON — What's in caught on, and the initials do not

What to do? The critics of the dists seek to get a message into the defense idea were having a field name of their product or program, day with the built-in derision of and when they are successful the Star Wars. The president com-"sell" appears every time the subthat expression would take it back The Reagan administration was again, because it gives a false imalert in its early days to the need for pression of what it is we're talking a "fresh start" in arms-control ne- about." In his second inaugural adgotiations and was aware that Readress, he came up with a lame subgan had campaigned against the stitute: a "security shield," which,

fense Initiative, initials SDL I like "global shield," no acronym. The Charles River gang, up at Harvard

and the Massachusetts Institute of Technology, which pooh-poohs the

program, prefers to stick with Star

Wars. (They are also stuck with

MAD, the acronym for Mutual As-

sured Destruction, which describes their strategic deterrence. They

now realize that MAD is even

Arms-control types within the

administration, who call them-

selves arms-reduction specialists, are toying with such ideas as the Study of Protection (acronym:

STOP) and the strained Security

Assured for Each (SAFE). In a

New York Times interview, the

president floated out a play on

MAD: "Why don't we have MAS instead — Munual Assured Securi-

ty." (MAS may not fly -- it sounds

Here is your chance for arms-

control immortality, terminology division. The prize for the best name for a substitute for Star Wars,

if it leads to adoption by the ad-

ministration, will be an invitation

to accompany me on my next pri-

vate luncheon at the White House,

an event that may never take place.

Send your entries to Star Wars on Language, The New York Times Washington Bureau, 1000 Con-necticut Avenue N. W., Washing-

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ton, D. C. 20036, U.S.A.

worse than LOST.)

raguely Marxist.)

functioning pretty much as one person at Here is Dith Pran talking about the time he risked his life to argue for the life The Lexicographic Irregulars are called upon now to help the adminof Schanberg: "When I save him, at that time, in my mind he's like a brother." He name for what, let's face it, everyis quite passionate, his voice as loud as it body calls the Star Wars program. will get in a conversation that covers the Here is the current state of play: destruction of his country and much of The president is down for "security shield," no acronym. The Pentagon has its chips on the Strategic De-

his family. There's not much rational about this." Schanberg says. It was a famous magazine piece by Schanberg, a story of friendship and sac-rifice and war. It is now "The Killing Fields," a film. It tells the story of a

By Joyce Wadler
Washington Post Service
NEW YORK — They are middleaged men with children, but when

they speak of each other in the war they

covered together 10 years ago, it is in a language earily like that of lovers.

Here is the Westerner, Sydney H.

Schanberg, talking about his Cambodian

translator and assistant, Dith Pran, dur-ing the fall of Cambodia to the Khmer

Rouge in the spring of 1975: "For all the

obvious cultural differences, we were

"This guy, his heart is too tight. When you see a wounded soldier, he have a tear

sometimes, he cannot even write. He is involved too much."

Cambodian who saves the life of his American friend and employer, and the newspaperman who afterward is unable to keep his friend safe. How can you reduce to a few sentences the complex-ities of their lives, Schanberg wants to know. How can you attempt, now, to put reasons on actions that were so entirely of the moment?

He says this at his office at The New York Times, where he writes a column on urban affairs and where Pran is a staff photographer. Schanberg is 50. He had open-heart surgery last year, not surpris-ing for a fellow who by all reports distinguished himself during his stay in South-east Asia as much by his temper as his tenacity. Pran, 42, has had problems with his teeth — four more will be pulled this month — and sometimes with his skin,

particularly on his feet. "The dirty water," he says, referring to his four years of forced labor in the rice fields.

There's Not Much Rational About It

Friends From 'The Killing Fields':

In 1972, Schanberg arrived in Cambodia for The New York Times and began work with a translator named Dith Pran. They were from two different ends of the universe — Schanberg, a Harvard schol-arship student from Massachusetts who worked his way up from copy boy to foreign correspondent; Pran. born near Angkor Wat in northwestern Cambodia. his marriage arranged according to tradition, the son of a self-taught engineer. Pran, by accounts of some correspondents, was a gentle, generous man. Schanberg was driven, competitive, temperamental - yelling if his copy was not transmitted, refusing to show his stories to other reporters even after they were published, screaming openly at Pran.

"Most of us would scream and yell in

our room, but he'd do it right there at the front desk," recalled one reporter. "He'd be screaming at Pran when he got out of the car, screaming at him at the desk, then dismissing him like an aide. . . . On the other hand, when things went well, he would give him outrageous tips,

hundreds in bonuses." Schanberg's copy, this reporter said, was considered "wonderful — you loved the sense of outrage he brought to a story." Schanberg is now considered by some the conscience of The Times, par-ticularly in his columns on the homeless. His reporting then was also conspicuous in its humanity. "He committed himself to a war in Cambodia when nobody else cared about Cambodia, said Peter Os-nos, a one-time competitor from The Washington Post.

"He's not like other journalists - he respect my opinion," Pran said. "He let me read his articles, and if I don't like, we discuss, and sometimes he change. . . . He know about Cambodian tradition, he put the hands up, know how to respect people, to speak politely, because I teach him the Cambodian way."

But it's been said he used to kick you,

A sigh.
"I wish you would not print that. It will make him very sad. It is true, I cannot lie to you, but he is not like that anymore. . . . Before, he have many things on his head, and also he is young and there are many technical problems when you are covering a war in another country.

"I know this guy, his heart is different, his temper is different, he born that way. you have to tolerate him. When post office don't work, he get so mad and

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say. 'Pran, I really feel sorry, can you forgive me?"

A final explanation: "This guy, his heart is too tight. When you see a wounded soldier, he have a tear sometimes, he cannot even write. He is involved too The U.S.-backed Cambodian govern-

ment began to lose to the Communists. In April 1975 the Communists moved in on Phnom Penh and the U.S. Embassy evacuated its people. Through Schanberg's intervention. Pran's wife and four children were flown out. Pran remained - and his remaining, in the film, is attributed by one journalist to Schanberg's desire for him to remain. On April 17 the Khmer Rouge took the

city. Schanberg and Pran, accompanied by two other journalists and their driver, went to the city's largest hospital to try to determine casualties. As they were at-tempting to leave, all except Pran were arrested. Pran argued with their captors. The Western journalists thought he was argning for his freedom but their Cambodian driver explained that he was arguing to join them, because he knew they had no chance without him. Later, arguing that they were foreigners who had come to report on the Khmer victory. Pran saved their lives.

After the city was evacuated, Schanberg and Pran and their Cambodian drivers, Hea and Sarun, sought refuge in the French Embassy. Then the Khmer Rouge announced that all Cambodians had to leave the embassy. Hea and Sarun, with money from Schanberg, slipped out the next day. Schanberg attempted to fake a passport for Pran. The French spotted it and insisted that it would jeopardize the entire compound. Pran was forced out.

He says now that what his character says in the film, at that moment, is what he said to Schanberg: "Take care of my family, Sydney. Don't let anyone be

Was Schanberg as much of a creep in person as he is on the screen?

"I can't answer the question because it's somebody else's perception. I think that the movie is a rough one, and, uh. it portrays a very determined and abrasive and whatever reporter, but if that is somebody's first question coming out of the movie, they've missed the point.

"I don't think any film provides every piece of a human being but I think the movie is accurate and fair in portraying that part of me. . . . The three things I insisted on in first discussion with this movie was that it had to be about real

Pran and Schanberg: "Now we see each other more clearly."

Cambodians, and to tell the story of Cambodia, and to portray me honestly. After Dith Pran left the embassy, it was four years before he escaped to Thailand. He was beaten almost to death, had malaria, worked 14 hours a day, at times lived on a spoonful of rice and, to supplement his diet, killed grasshoppers or snakes. His father died of starvation, three brothers and an uncle were shot, his

sister and her daughter were killed. Schanberg returned to the United States. He wrote hundreds of letters in an attempt to find Pran and took on much of the expense of caring for Pran's wife and family. His marriage unraveled. He won a Pulitzer Prize for international reporting and accepted in the name of

In October 1979, he and Pran were reunited in a refugee camp in Thailand.
Schanberg has recalled Pran saying. "I
am reborn. This is my second life."
Why did they stay in Cambodia as long

as they did? To what extent did Schanberg's desire to stay affect Pran? was doing journalism for three

years, no, five years, and then Sydney and I both got the same idea to cover the story," Pran said. "I decide to stay first because I didn't believe when one side come up they kill their own civilians, and also because the people I used to visit to cover the story didn't get panicked, so why should I get panicked?"

Schanberg said: "These questions are

difficult to answer because they are not estions you pose to yourself during the situation. . . . You just do what viscerally makes total sense for you to do." He added later: "It's culturally insulting to ask why Pran chose to stay. The assumption is that the Westerner is in

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charge and that the assistant, because he was an assistant and comes from a country with a colonial history, would do anything the Westerner wants him to But in this case, the Westerner was in

"Yes, but the assumption that just because I was in charge I would put a life at stake is a fundamental mistake." But he has written about feeling re-

sponsible for Pran. "I was responsible for him in the same way he was responsible for me. His responsibility for me led him to argue his way into that tank. I think that was because it was unthinkable for him to be separated from me, just as his forced departure from the embassy was un-thinkable for me. Part of his decision I think was instinct, and sheer loyalty and courage, but I don't think any human act like that is ever so clear-cut that it doesn't have lots of little pieces, and one of those little pieces was that he was on the street, alone and isolated, and without us, without me, it was something totally miss-

They spoke in turn, describing their feelings when Pran was forced to go. "I know Sydney will be all right, family will be all right. . . You don't think backward anymore. You just thinking ahead, now you in risky situation - you life, if you little bit left, little bit right, you get killed."

And Schanberg?
"It had to be the worst day of my life." He said later: "I think we romanticized each other. I think we know each other better now. . . . Now we see each other

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